

Role of National Budget in Developing Entrepreneurship among women of Bangladesh

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Contents

List of Table	05
Chapter I: Introduction	07
1.1 Rationale	07
1.2 Methodology	08
1.3 Organization of the Study	10
Chapter II: A Brief Profile of Woman Entrepreneurship in Bangladesh	11
Chapter III: Factors affecting woman entrepreneurship development in Bangladesh	18
3.1 Social and Demographic Factors affecting Women Entrepreneurship Development	18
(a) <i>Societal values</i>	18
(b) <i>Marital relation</i>	18
(c) <i>Sexual violence and sexual harassment</i>	19
(d) <i>Lack of Social asset</i>	19
(e) <i>Law and order situation of the country</i>	19
3.2 Economic Factors affecting Development of Women Entrepreneurship	20
(a) <i>Access to land</i>	20
(b) <i>Access to credit</i>	21
(c) <i>Access to education and skill training</i>	22
(d) <i>Access to information and modern technology</i>	23
(e) <i>Access to marketing facilities</i>	24
(f) <i>Absence of women-friendly transport and communication services</i>	25
Chapter IV: Policies and Programs Affecting Development of Women Entrepreneurship in Bangladesh	28
(a) <i>Women entrepreneurship related policies and objectives in various Five Year Plan of Bangladesh</i>	28

<i>(b) Women entrepreneurship related objectives in NAP</i>	29
<i>(c) Women entrepreneurship related policies and objectives in the PRSP</i>	30
<i>(d) Other Policies</i>	33
(i) Industrial policy	34
(ii) Agricultural Policy	35
(iii) Monetary Policy	35
<i>(e) Women entrepreneurship related objectives in the International Treaties</i>	36
Chapter V: Performance of National Budget of Bangladesh to Develop Entrepreneurship among Women	38
5.1 Performance of Taxation Policy and Fiscal Measures to Develop Women Entrepreneurship	39
5.1.1 Positive impact of Taxation Policy and Fiscal Measures on Women entrepreneurship	39
5.1.2. Negative impact of Taxation Policy and Taxation Measures on Women Entrepreneurship	40
5.2 Role of Development Budget in Developing Women Entrepreneurship	43
5.2.1 Women's Share in the Directly Growth Oriented Sectors and its Impact on the Development of Women Entrepreneurship	44
5.2.2 Women's Share in the Indirectly Growth oriented Sectors and its Impact on the Development of Women Entrepreneurship	53
5.3 Women's Share in the Welfare Oriented Sectors and its Impact on the Development of Women Entrepreneurship	57
5.4 Women's Share in the Safety Net Programs	59
Chapter VI: Discussion and Recommendations	61
6.1 A Brief Discussions	61
6.2 Conclusions and Recommendation	63
References	76

List of Table

Table 1	Labor Force Participation Rate in Bangladesh during the period between 1995/96 and 2002/03
Table 2	Employed Persons (15 years and above) in Bangladesh by status of Employment
Table 3	Male and Female Students' Share (%) in the Total Enrollment in various professional Institutes: 1998-2002
Table 4	Women Entrepreneurship Development related Immediate interventions Suggested in the PRSP
Table 5	Women Entrepreneurship Development related Short and long run Interventions Suggested in the RSP
Table 6	Women Share in the Directly Growth-Oriented Sectors Fiscal years 2001/02-2005/06
Table 7	List of Women-Focused Development Programmes in the Industrial Sector of Bangladesh: (Fiscal Years 2000/01-2005/06)
Table 8	List of Women-Focused Development Programs in the Rural Development & Institution sector, FY 2000/01-2005/06
Table 9	Women's Share in the Indirectly Growth-Oriented Sectors Fiscal year 2001/02-2005/06
Table 10	Budgetary Allocation in the Social Welfare Sector Fiscal Year 2001/02-2005/06

Chapter 1

Introduction

1.1 Rationale

Women are a part of the nation's manpower. This manpower of Bangladesh has already shown its immense potential in different socio-economic sectors. Whatever development Bangladesh has achieved during the last decade has been made possible by controlling population growth, raising education level and by increasing its labor force participation rate. Available national statistics reveal that women played a dominant role in all these sectors. It has been found in various studies that even with limited access to productive resources, women have participated in the labour market in large number. Due to the participation of women in the labor force, the overall participation in the labor force has also multiplied in the past few years. Women also have great potential as entrepreneurs, and this potential has been revealed in their efficiency to undertake a huge number of micro enterprises through using micro credit. Although women have minuscule access to big capital, findings show that they proved their efficiency in undertaking big enterprise too. It has been found that about 4 per cent of the garment factories are owned by women entrepreneurs (*Paul-Majumder 2003*). Thus, women constitute a potential group to undertake business venture. This potential should be reaped to the fullest extent not only for the well-being of the women folk of Bangladesh, but also for the development of the country.

National budget of Bangladesh is the most influential instrument in the hand of the Government through which women's potential as entrepreneurs can be reaped the best. Because, national budget can provide all facilities necessary for a woman entrepreneur to be efficient and competent. National budget also can solve all problems faced by a woman entrepreneur. It can encourage women to undertake various risks involved business venture by diverting both monetary and non-monetary resources towards women through women-friendly taxation policy. Access to information technology (IT) is another essential precondition for efficient and competent entrepreneurship. Budgetary measures can

also facilitate women's access to IT. Similarly, access to training and education is also highly conducive to development of efficient entrepreneurship among women and budgetary measures are essential for facilitating women's access to these two qualities. Marketing, trade, infrastructure and communication facilities are essential for an entrepreneur to be efficient and competent. Budgetary measures can ease women's access to these facilities too. All other necessary conditions of an efficient entrepreneur also can be fulfilled through budgetary measures. Thus, national budget has immense role in developing entrepreneurship among women. Hence, it is essential to assess the extent to which national budget of Bangladesh has performed this role. It is also essential to assess to what extent women could have availed the facilities provided by the national budget of Bangladesh and what are the problems women face in availing budgetary facilities. It is also essential to identify the problems the women entrepreneurs face in running their business and to investigate what budgetary measures are necessary to solve these problems. The present study aims at meeting all these ends.

1.2 Methodology

Various methodologies have been followed to collect data and information to fulfill above objectives of this study. The data for the study have largely come from desk review of annual national budget of the GOB. Literature review also has been undertaken to strengthen secondary database for this study. Data from the secondary sources have also been used.

Annual development program (ADP) is one of the primary tools used to assess the role of national budget of Bangladesh to develop entrepreneurship among women. To assess the role of national budget in developing women entrepreneurship, all development programs included in the Annual Development Program (ADP) of the national budget of Bangladesh have been divided into following three broad categories:

(1) Directly growth oriented programs

All development programs related to sectors like agriculture, industry, rural development, power, transport, communication etc are included in the category of directly growth-oriented programs

(2) Indirectly growth oriented programs

Indirectly growth oriented development programs are related to sectors like health, education, science and technology, labour and employment, infrastructure, water, housing etc.

(3) Welfare-oriented programs

Welfare-oriented programs include all programs included in the social welfare sector.

Development programs included in these three categories are again divided into following three sub categories

1. Women-focused program

Development programs, which target women only

2. Gender-sensitive program

Development programs which will benefit women as well as men. Some of these programs specifically target women together with men, some don't. These programs are supposed to have partial impact on women.

3. Gender blind programs

Programs, which have no direct impacts on women's life. This type of program will also benefit women only when they will be equal to men in every spheres of life. But at their present status women will not get any benefit from this type of program.

Gender-sensitive projects have been identified examining the ADPs in the light of following reasons:

- a. how far the gender related macro objectives are reflected in the projects;
- b. how far the gender related micro (sectoral) objectives are reflected in the projects and
- c. Sex-segregated information on beneficiary obtained from secondary sources evolution report of various development program done by various organisation.

Development budgets of five fiscal years (2001/02-2005-06) constitute the database for this study. However, no rigorous analysis is possible in this study, as the budget expenditure is not categorized by gender.

Ten woman entrepreneurs (five big and five small entrepreneurs) have been interviewed to find out the problems they face in running their enterprise. Their opinions have also been sought regarding the budgetary measures to be undertaken to facilitate their business and to augment their entrepreneurial qualities.

1.3 Organization of the Study

This study has been divided into six sections. In the second section, a brief profile of woman entrepreneurship in Bangladesh has been presented. The third section attempts at identifying the factors that affect woman entrepreneurship development in Bangladesh. Policies and programs affecting development of women entrepreneurship in Bangladesh have been analyzed in section four while role and performance of national budget in eliminating these factors to develop entrepreneurship among women has been assessed in section five. In addition to development budget, an analysis of the direct and indirect tax incidence has also been made in this section to assess the extent to which fiscal policies augment women's entrepreneurial capability. Based on the discussion and analysis in this study, some recommendations have been made in the concluding section to raise the efficiency of the national budget to develop entrepreneurship among women of Bangladesh.

Chapter II

A Brief Profile of Woman Entrepreneurship in Bangladesh

In Bangladesh, women's participation in the labour force is increasing steadily over time. Women's labor force participation rate increased from 15.8 cent in 1995-96 to 26.1 in 2002-03. (Labour Force Survey 2003-03). It is interesting to notice from Table 1 that during the period between 1995-96 and 2002-03, women's labour force participation increased significantly, while during the same period men's labour force participation remains more or less the same. Most of the increase in women's labour force participation is attributable to the growth of micro entrepreneurship among them. It can be noticed from Table 2 that self employed women who are mostly micro entrepreneurs increased more than three times during the period between 1995-96 and 2002-03. It is mainly because of the fact that Bangladesh puts emphasis on income generating activities of women as the means of alleviating poverty and gender inequality and supply of micro credit to women has been adopted as the main means of generating income. Because of this policy, both government and non-government organizations (NGOs) are supplying micro credit to women for creating income-generating activities among them. The essence of micro credit program is the absence of physical collateral. Because of this essence, this program has created a class of micro entrepreneurs among women, since this program give women the access to productive resources for the first time. Women have shown proficiency in using the micro credit and emerged as influential entrepreneur.

Table 1: Laour Force Participation Rate in Bangladesh during the period between 1995/96 and 2002/03

Labour Force Survey	Male	Female	Both
LSF 1995-1996	87.0	15.8	52.0
LSF 1999-2000	84.0	23.9	54.9
LSF 2002-2003	87.4	26.1	57.3

Source: Labour Force Surveys, 1995-96, 1999-2000 and 2002-2003

Table 2: Employed Persons (15 years and above) in Bangladesh by status of Employment (in percent)

Employment Status	Labour Force Survey 1995-1996	Labour Force Survey 2002-2003				
	Male	Female	Both	Male	Female	Both
Employers	0.4	0.1	0.3	0.5	0.2	0.4
Self-employed/ own account workers	46.8	8.3	32.2	51.8	25.6	46.1
Employee	14.6	7.6	11.9	14.2	14.0	14.1
Unpaid family workers	12.7	78.3	37.7	10.1	36.2	18.9
Day labourers	25.5	5.7	17.9	23.5	10.1	20.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Labour Force Surveys, 1995-96, 1999-2000 and 2002-2003

With the help of micro-credit, women in Bangladesh have started a variety of business. Some invested in their existing businesses to expand, while others launch new businesses to do some thing different or something differently. The rural women start business in the struggle for survival. They are found to be involved in cattle and poultry rearing, rice husking, spices making, cloth, cosmetics and imitation ornament trading, shop keeping, making of sweat meat, rice cake and country cake, producing various kind of pickle and in many other micro businesses. The Grameen Bank has identified more than 100 types of business, which the borrowers of this bank have undertaken with the help of micro credit. These women innovate and change the production function– the fundamental attributes of an entrepreneur. They discover new sources of supply of inputs and new market, just like any other entrepreneurs (Mondal 2002).

The urban woman start business in activities those are more innovative than the activities started by the rural women. The urban women are found to be involved in bakery, vermicelli, fast food, doll, bag, cap, pagri

etc. making, block printing and boutique, screen painting and printing, fabrics paint, tailoring, interior decoration etc. It is very interesting to observe that urban women have undertaken many businesses like beauty parlor, providing of computer service and training, restaurant and hotel, shoe making, production of plastic and rubber goods like nylon rope, box, ball pen etc., which are traditionally known as men's business.

Statistics regarding the status of women entrepreneurship are very few. The institutions like Bangladesh Small and Cottage Industries Corporation (BISIC) and Board of Investment (BOI), which are supposed to be repositories of information concerning industrial venture, do not maintain gender-disaggregated data. Other related institutions like Bangladesh Export Processing Zone Authorities (BEPZA), Privatization Board, Export Promotion Bureau (EPB), Bangladesh Bank and other commercial Banks, Krishi Bank, various training institutions including Bangladesh Institute for Management (BIM), Small and Cottage Industries Training Institute (SCITI) and various research institutions do not maintain gender disaggregated information either. In the absence of statistics, it is very difficult to present the exact state of women entrepreneurship in Bangladesh. However, status of employment in terms of gender reveals women's marginal involvement in entrepreneurship. The category of self-employment and own account workers represent the micro entrepreneurs. It can be noticed from Table 2 that about 52 per cent of the employed men are micro entrepreneurs while only a little more than 25 per cent of employed women are micro entrepreneurs. In the employer category, which represents large entrepreneurs, men constitute 0.5 per cent whereas women constitute 0.2 per cent of total employed population. Table 2 shows that majority of the employed female are unpaid family helpers while majority of the employed male are micro entrepreneurs. However, it is encouraging to notice from Table 2 that this group of employed female decreases drastically over time and more and more women are undertaking micro business.

Statistics obtained from various micro level studies also shows that situation of women entrepreneurship in Bangladesh is disappointing. Eight industrial estates of BISIC have been surveyed by MWCA under a study on women entrepreneurship to obtain gender disaggregated data (*MWCA 2002*). Results of this survey reveal that only 3.8 per cent of total enterprises situated in these estates are exclusively owned by

women and another 3.8 per cent of total enterprises are owned jointly by men and women. However, each and every characteristics of small and cottage industry are suitable for women, since small and cottage industries require low capital and simple technology base and women in Bangladesh lack access to land and big capital. They also lack education and technical know how.

Statistics regarding women in large business are also absent. To have an idea about the women in large business, name of the garment factory owner listed in the directory of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has been examined. This examination reveals that about 4 per cent of total garment factory owners are women. However, no information is available regarding how many of them are both owner and manager of these factories. A study mentioned above showed that only 2 per cent of the small and cottage industries are managed by women while they own about 4 per cent of these industries (*MWCA 2002*).

However, whatever dismal the present picture of women entrepreneurship in Bangladesh is, this picture reveals that women in this country have tremendous potential for developing entrepreneurship. Because, even with limited access to the productive resources, women have been undertaking micro enterprise in large number during the last decade. Women have shown proficiency in using the micro credit. It has been observed that these micro entrepreneurs have more or less the following qualities which various renowned economists (*Schumpeter 1950, McDaniel 2002*) identified as the main criterion of entrepreneurship.

1. adoption of risk involving innovation;
2. adoption of a new input and new production process,
3. introduction of a new product
4. creation of a new economic organization
5. introduction of new technology;
6. opening of a new market;
7. creation of employment;

8. speculative reasoning;
9. creation and expansion of assets and
10. creation of social assets such as network of contracts and reciprocal negotiations that can be called on in time of need.

A belief that a person can influence his/her personal destiny distinguishes an entrepreneur from the general population. It has been observed from various studies that women micro entrepreneurs in Bangladesh have this belief. Women are confident about their entrepreneurial potential and success, and believe that as women are good managers at home, so are capable to organize and operate any enterprise. Because of all these qualities, some women have emerged as influential entrepreneurs. To recognize and honour the talent of the women entrepreneur, the Women Entrepreneurs Association (WEA) provided WEA crest to six women entrepreneurs in 2002. The activities of these enterprises are as follows:

- (1) A tea stall, where tea and rice cake baked in an indigenous woven is sold. Tea and rice cake is a unique combination.
- (2) A jewelry store which is unique in a rural area.
- (3) An NGO namely Gono Sashtya Food limited, which prepares nutritious food for children and provides training to women on both traditional activities like food and nutrition and non-traditional activities like driving. These activities are unique and equivalent to the introduction of new product and new market.
- (4) Production of natural dye employing a large number of workers. This enterprise developed thirty colorfast dyes, which are unique in both national and international markets. This entrepreneur of this enterprise also fulfils the following criteria of entrepreneurship:
 - (a) adoption of a new input and new production process,
 - (b) introduction of a new product;
 - (c) introduction of new technology;
 - (d) creation of employment and
 - (e) creation and expansion of assets.

The entrepreneur of this enterprise fulfils the criteria of creating a new economic organization also, since she established the organization *Aranya* to produce natural dye and to establish her belief that natural dye is cost effective and an environ friendly product.

- (5) Making and marketing of decorative items using dry and artificial flowers and fresh floral arrangement in Ikebana style. The entrepreneur of this enterprise also fulfils a number of above criterions. This entrepreneur established an organization named Flower Club Cottage Industry and thus fulfils the criterion of creating a new origination. In addition, she created employment for destitute and disabled women.
- (6) The sixth recipient of the WEA crest founded the Rimotas Poultry, Dairy and Agro Farm in Chittagong. Owner of this firm also fulfils most of the criterion of entrepreneurship described above.

All these activities of women clearly reveal that women in Bangladesh have tremendous potential for entrepreneurship development. For the last six years, the DHL Express and The Daily Star recognize enduring entrepreneurship of the country every year and by declaring Bangladesh Business Award. Almost every year, at least one women entrepreneur got this award.

The women entrepreneurs, although are few in number, become successful not only in producing new product and creating large number of employment among women, but also in establishing good labour relation and augmenting productivity of women workers. Findings of a study showed that labour relations in the garment factories run by women entrepreneurs are better than that in the factories run by men entrepreneurs (*Paul-Majumder 2003a*). It was further found that absenteeism and turnover of labour in the factories run by women is less than that in the factories run by men. Good labour relation is an influential factor of good entrepreneurship. Thus, women have tremendous potential for running big enterprise too. This potential should be reaped to the fullest extent not only for the well-being of the women folk of Bangladesh but also to increase the GDP of the country to alleviate poverty. The implications of self-employment of women on

poverty alleviation are well documented. A number of studies showed that women's self employment in Bangladesh significantly augment the income of a poor family struggling for survival (*Marum 1981, Islam Rahman 1986, Paul Majumder 1998*).

Chapter III

Factors affecting woman entrepreneurship development in Bangladesh

It has been found from the discussion of the previous section of this study that the condition of women entrepreneurship in Bangladesh is very disappointing, although women have tremendous potential for entrepreneurship development. Various socio-demographic and economic factors are responsible for such low growth of women entrepreneurship in Bangladesh. An attempt has been made in this section to identify some of the very important factors affecting women entrepreneurship in Bangladesh.

3.1 Social and Demographic Factors affecting Women Entrepreneurship Development

a) Societal values

Women in Bangladesh live within the constraints of a conservative society where men are the customary bread earners. For this reason, the concept of women businessperson is still not well accepted in the family and society. A family prefers its women member to be a service holder to a businessperson. Still now, society identifies business as a men's job. Society and families allow women to undertake a business and trade if it can be done at home. Four out of 10 women entrepreneurs interviewed for the present study undertook business against the will of their family members.

b) Marital relation

Marital status of women is an influential factor affecting their entrepreneurship development. This factor can affect women's entrepreneurship in both negative and positive way. One of the entrepreneurs interviewed for the present study got access to productive resources like land and capital and social network (two essential element of entrepreneurship development) through marriage. One of them got access to institutional loan through the social status of her husband. Three of the interviewed entrepreneurs are found divorced or widowed. They reported that they did not get any help from their in-laws. One

interviewed entrepreneur was found happy with her marital status. She reported that her husband helps her procuring raw materials and in getting access to information. But the rest four entrepreneurs, i.e. 40 per cent of the interviewed entrepreneurs reported that they often face resentment from either husband or in-laws.

c) Sexual violence and sexual harassment

Sexual violence and sexual harassment is another big problem faced by women entrepreneurs. In many cases, women have to give up their business because of sexual violence. One of the women entrepreneurs interviewed for the present study reported that because of sexual harassment, she is unable to expand her nursery business. She used to supply plant and plant care services to various organizations like banks, advertisement firms, apartment complexes etc. She supplies these services through her male employees. But most of the purchasers of these services demand the owners to come personally to their offices to render the services. This entrepreneur reported that the purchasers of these services often tried to establish illicit relation with her whenever she went to these organizations personally. For this reason, she could not increase the number of purchaser of her plant and plant care services significantly.

d) Lack of Social asset

Social asset, such as networks of contracts and reciprocal negotiations that can be called on in time of need, and political influence over resources are essential factors affecting entrepreneurship development. But women of Bangladesh lack these factors since Bangladesh is a male dominated conservative society. One of the women entrepreneurs interviewed for the present study said that women lack the network that men have in official circles. For this reason women have to establish their credibility again and again.

e) Law and order situation of the country

Adverse law and order situation existing in Bangladesh is a great social problem in the development of women entrepreneurship. Women are more vulnerable to hijacking, snatching and extraction than men. Mobility of women is restricted to a large extent due to these vulnerabilities, whereas mobility is an essential condition of good and efficient entrepreneurship. Women face insecurity not only in the street

but also in offices and residence. Findings of a study showed that women living in slums and squatter settlement are unable to undertake any home-based business due to insecurity of property (*Paul-Majumder et. al. 1996*). Slum women complained that they cannot keep sewing machine in their residence safely and often they cannot sleep well as they have to guard their property from the thieves.

3.2 Economic Factors affecting Development of Women Entrepreneurship

Access to productive resources is an essential condition for the development of entrepreneurship. Women in Bangladesh have very limited access to productive resources like land, fish pond and other water bodies, forest-grown resources like wood, animal fodder, horticulture etc. Access to institutional credit is the most influential economic factor in the entrepreneurship development. Women in Bangladesh have negligible access to this factor. Women's access to human capital like education and skill training is also very limited. In these days of globalization, access to technology and information are two influential factors affecting development of entrepreneurship. But women in Bangladesh have very limited access to these influential factors. Women in Bangladesh also lack access to marketing facilities, which is another essential condition of entrepreneurship development. Existence of gender friendly transport and communication is conducive to development of entrepreneurship in women. But this factor is non-existent in Bangladesh to a large extent.

a) Access to land

Gender differentiated right to land is the main reason for women's unequal access to productive resources. In Bangladesh, religious laws dictate the property rights of people. Islam, the dominant religion in Bangladesh did not provide equal rights to son and daughter to their parents' property. The next dominant religion in Bangladesh is Hinduism and it did not provide women any right to property.

State laws and policies are also not conducive to render property ownership to women. There is no law dictating that a house will be registered in the name of both spouses. Therefore, it was found from a micro-level study that only 7 per cent of the female spouse own houses (*Paul-Majumder and Mahmud 1994*).

b) Access to credit

Credit plays a central role in industrial development. So access to credit facilities in the modern economic world is a determining factor of the level of economic activity and growth. Academicians and people from the practical field also have emphasized the necessity of credit for the promotion of women entrepreneurs in various ways. According to Dr. Muhammad Yunus of Grameen Bank, 'credit creates hope and ambition for change in businesswomen and potential women entrepreneurs'. Women's access to institutional credit is very limited as it requires collateral. With very limited access to land and other wealth, women cannot arrange collateral to obtain institutional credit. Because of various supportive policies of the GoB, women have access to micro credit to a large extent. Massive expansion of micro-credit encompasses about half of the target group households and develops a large group of women micro entrepreneurs. But micro credit marginalizes women in traditional activities. This situation undermines women's ability and potentialities, which limit their access to control over large resources. Moreover, even with respect to the segment of the poor covered by micro-credit, it is amply clear by now that further expansion of micro credit is severely demand constrained. Already there are indications that micro-credit in some cases has become a repetitive exercise with little value addition to creative capacity of the poor women.

The financial institutions and banks also generally extend credit facilities for women under micro-credit oriented poverty reduction program. Mainly donor supported project funds are used for this kind of micro credit. This is a Bangladesh Bank circular directing the commercial banks to lend 15 per cent of their lending capital for industrial sector. Five per cent is supposed to be lent for small-scale industry (SCI) sector. But there is no special circular regarding lending for women. Therefore, it becomes difficult for women to reap any benefit from this credit program. For example, the poor and destitute women are specially targeted while making ADP for poultry and cattle farming in the agricultural sector. But a recent survey shows that, women received only 1 out of 71 low rate loans distributed for poultry farming (*Quasem 2001*). The banks do not maintain sex disaggregated data on lending. Therefore it is not possible to furnish accurate information on women's access to institutional credit.

All women entrepreneurs interviewed for the present study are facing the problem of accessing into institutional loan facilities. Three out of 10 entrepreneurs interviewed for the present study started their business with their own money, which they arranged from their own savings and selling their own ornaments. Two entrepreneurs started their business with their husband's money, three borrowed from relatives and the rest got some loan from NGOs and also from formal Banks.

c) Access to education and skill training

To develop entrepreneurship, access to education and skill training is essential conditions. Due to various supportive policies of the GoB, level of women's education rises significantly during the last few years. The rate of literacy among women increased from 25.5 per cent in 1990 to 40.7 per cent in 2001 (Population Census 2001). However, women's participation in the higher education is very limited whereas for the development of competent entrepreneurship, higher education is of utmost necessity. Gender gap in education also widens as level of education rises up.

Professional education is also essential for developing entrepreneurship. Women in Bangladesh lack this education also and compared to men, women's access to this education is meager (Table3). Table 3 shows that in the Bangladesh Institute of Technology (BIT) and Textile Technology College (TTC), female students constitute only about 5 per cent and 6 per cent respectively.

Table 3: Male and Female Students' Share (%) in the Total Enrollment in various professional Institutes: 1998-2002

Year	Professional Institutes			
	Bangladesh Institute of Technology		Textile Technology College	
	Male	Female	Male	Female
1998	95.33	4.67	95.79	4.21
1999	95.26	4.74	94.77	5.23
2000	95.19	4.81	94.83	5.17
2001	95.12	4.88	93.78	6.22
2002	95.04	4.96	93.79	6.21

Source: BANBEIS 2003

Women's access to skill training is also very limited. The Government of Bangladesh has undertaken various programs on vocational and technical education (VTE). Most of these are in the public sector under the supervision of the Directorate of Technical Education. Private sector institutions are increasing, especially in the IT sector. Women student's enrollment in vocational education is meager and gender in this education is also very wide. Female students comprise only 25 per cent of total students enrolled in the vocational institutes (*BANBEIS 2003*). Women have very limited access to skill training. In a patriarchal society like Bangladesh, parents are generally reluctant to spend on women's education and training. Women themselves also little afford to take training as in most cases; they have no access to financial resources.

It was found that not only the cost of skill training is a concern regarding women's access to this education, but also the social environment in these educational institutes is a of great concern. It has been found that the number of female teacher and female vocational institutes is very small. Number of women teacher is an influential factor affecting women's participation in vocational training, since their participation depends largely on the socially congenial atmosphere. Information collected from a IT school run by a woman revealed that the number of woman trainee increases tremendously, if the training school is managed by a woman. More than 50 per cent of total trainees in this school were found to be women. The woman director of this school reported that women come to this school in larger number because of socially congenial training atmosphere. But it was observed that women teachers are not employed in the IT schools mainly due to non-availability of trained women. No woman IT engineer was found.

None of the entrepreneurs interviewed has professional education. However, all of them have education above HSC. One of them has training on poultry firming and another one has training on IT. The rest do not have any training.

d) Access to information and modern technology

Information crisis is severe among the women entrepreneurs, whereas information empowers an entrepreneur to choose the right business. Because of the lack of access to information women often cannot choose the businesses for which they have best expertise. In the business world, access to information is getting more and more importance due to fast

growth of globalization. In the global market, technology is changing fast and women have very little access to new technology and market information.

Due to the lack of access to information, women entrepreneurs often undertake some business without studying its feasibility, whereas appropriate feasibility study is a key to profitability of any business. Due to the same reason, women entrepreneurs also cannot find out most profitable market for their products.

Interaction among women entrepreneurs is very limited. They could have developed their entrepreneurship qualities more if they could establish interaction among themselves through strong information system. Now a day, more and more garment factories are being shifted to the suburb areas and many home-based production units have also been set up. In this process, many men emerge as entrepreneurs. But due to lack of information, capital and access to technology, women could not emerge as entrepreneurs in this process.

e) Access to marketing facilities

Almost all of the entrepreneurs interviewed reported that they face marketing problem tremendously. One of them reported that she could have expanded her business several times if she had marketing facilities. Women face this problem more than their male counterparts because of social reasons, lack of their access to information and also due to lack of their access to cheap raw material and various infrastructure facilities.

Women entrepreneurs face severe competition among themselves since they are concentrated in a few sectors like handicrafts, tailoring etc. They also have to compete with imported goods. Many women entrepreneurs started business of local food products. But fruit-based products face severe completion with import of foreign food product. The handicrafts and boutique also face completion with Indian products.

Women entrepreneurs do not have any outlet for their products. Therefore, they have to supply their products to other markets on credit, which blocks their meager capital, and gives low returns. Receipt of payment is often difficult and delayed. In marketing, many women entrepreneurs incur heavy loss and at the end, they were forced to give up their business.

Women entrepreneurs often do not get any opportunity to participate in trade fairs. Moreover, they do not have any permanent place for exhibiting their product. As a result, women entrepreneurs do not come into interaction among themselves.

Participation of women in trade delegations and fairs abroad is not promoted and this restricts women's opportunity to have access to knowledge about the demand of their product abroad. The promotional organization also cannot support women in expanding and diversifying their business.

Women entrepreneurs often face the problem of increase in price of raw materials because of imposition of higher tax. Frequent changes in tariff on raw materials create problem for women entrepreneurs and they cannot predict its impact on their business.

In most cases, as women are micro entrepreneurs, they are small retail buyers. But retail buyers often have to pay a higher price for the raw materials. Due to lack of capital they cannot purchase raw materials in bulk. They also have to pay on transport due to frequent travel for buying small quantities of raw materials.

f) Absence of women-friendly transport and communication services

Dynamics of entrepreneurship is greatly affected by mobility and access to communication services. Greater mobility and access to communication services make an entrepreneur more competent, since good raw materials are not necessarily available nearby residences and information about good raw materials are also not available without having access to good communication. The same is the case with selling of products produced by an entrepreneur. Women as business operators need to have access to market information since it is the most influential factor affecting the efficiency of any business. They also need to have easy access to safe, secure and affordable transport facilities to procure raw materials and to send the finished product to the most profitable market. Thus, women entrepreneurs are in great need of transport and communication facilities.

It has been found that due to the absence of safe and secure transport facilities, women cannot earn high profit from their business as they procure raw materials from the market nearby to their residences and also sell their products in the same market. In the absence of safe, secure

and affordable transport facilities, most women entrepreneurs travel by foot. Findings of a study on 'Gender Dimension in Transportation' showed that 51.8 percent of females as opposed to 32.2 per cent of males travel to and from their work places by foot. Overall, only 4.4 percent of working women have access to public buses, which is cheapest and fastest mode of transport within the city (*Paul-Majumder and Khatun 1997*).

It has been observed that rural women entrepreneurs are very eager to sell their product in the urban areas. This group of women entrepreneur is in great need of communication services to have information about profitable market for their goods. Findings of a survey showed that rural women can take the advantages of market when they get access to mobile telephone services (*Bayes 2001*). The same study also showed that women made 35 per cent of all phone calls made from the mobile telephone provided through a program of Grameen Bank Village Phone Initiative. Most of the calls they made were related to enquiry either about market prices of commodity, or employment opportunity, or remittances.

Women involved in business gain further from the communication facilities during the time when they have to stay at home for unavoidable reasons like marriage, child birth, familial reasons etc. as they can still stay in touch with their business communities and accordingly can supervise their business through effective business communication tools as the mobile telephone, e mail and internet.

Development of telecommunication services is supposed to increase the business opportunity for women since they have already proved their efficiency in this field through the program of Grameen Bank Village Phone Initiative. Findings show that women are running this business very efficiently. Women also can do better in IT since inherently they have patient and sincerity– two essential requirements in the learning process of IT. For this quality, women are operating telephone very efficiently and therefore they are largely employed in the job of telephone operators. Women entrepreneurs need transport and communication services more than their male counterparts for their security, as unlike men, women are more vulnerable to social insecurity. In many cases women entrepreneurs have to give up their businesses because of insecurity of commuting. Women entrepreneurs can save

themselves from these insecurities and can continue their business if they have easy access to telecommunication and safe secure transport facilities. With easy access to telecommunication they can inform police in case of any harassment or any attack on them. They can also ask the help of friends and relatives in the same cases. Safe, secure and affordable transport facilities can also save women entrepreneurs from social insecurities to a large extent since it was found that most of the social mishaps a women faced took place due to insecurity of commuting (*Paul-Majumder 2005*). Thus, transport and communication are two essential factors affecting the development of women entrepreneurship.

Findings of the survey on 'Gender Dimension in Transportation' showed that the most common problems faced by the female commuters in the metropolitan areas of Dhaka city are crowded and dirty footpaths, traffic jams, smoke pollution, unplanned digging up of footpaths and roads, sexual harassment and road accidents. They also face the problem of theft, robbery, kidnapping or hijacking while commuting. More than 30 per cent of female commuters as opposed to only a little more than 11 per cent of male commuters mentioned this problem (*Paul-Majumder and Khatun 1997*). Beside these problems, the women entrepreneurs also suffer from the lack of affordable and accessible transport facilities.

Due to their limited mobility, women, particularly the rural women, have almost no access to telecommunication and postal services. Women can hardly apply for a telephone connection since they are employed at a very low level of occupation. Due to social insecurity, women also cannot use the Public Call Offices. Moreover, in the rural areas, where most women live, there is no facility of Public Call Offices. Now in some villages there are mobile telephone services. But number of telephone is extremely inadequate compared to the need. Moreover, telephone network often does not work well.

Availability of communication services has tremendous positive impact on businesswomen. Findings of a survey show that the income of rural traders and producers of vegetables, in which rural women are heavily involved, has increased after getting access to Grameen Phone facilities (*Bayes 2001*). Their physical mobility has also increased.

Chapter IV

Policies and Programs Affecting Development of Women Entrepreneurship in Bangladesh

The development of women entrepreneurship in Bangladesh is perceived as a low priority. Therefore, it is evident that the policies and programs encouraging and supporting women entrepreneurship are very few. This section attempts at identifying women entrepreneurship related policies and objectives adopted in various national document of Bangladesh. Women entrepreneurship related policies and objectives adopted in various international documents, which the GoB ratifies, have also been identified in this section.

(a) Women entrepreneurship related policies and objectives in various Five Year Plan of Bangladesh

The importance of women entrepreneurship in Bangladesh has been acknowledged first in her Second Five year Plan (1980-85). The Second Five Year Plan emphasized creating a congenial atmosphere for women's increased participation in development through expanding opportunities for skill development, credit and entrepreneurship development program. The same policies and programs were adopted in the Third Five Year Plan (1985-1990). The Fourth Five Year Plan (1990-95) placed women within the context of macro framework with multi-sectoral thrust. During this plan period, women were brought under various credit programs mainly for developing micro entrepreneurship among the poor and disadvantaged women. The gender policies and objectives adopted in the Fifth Five Year Plan (1997-2002) were also supportive of developing entrepreneurs among women of Bangladesh. Women entrepreneurship development related policies and objectives adopted in the Fifth Five Year Plan are as follows:

- ensure women's legal rights in property inheritance,
- ensure women's equal right to skill, information, resources and opportunities,
- promote women's economic self reliance,

- ensure women's access to managerial training,
- ensure women's access to credit facilities,
- create appropriate institutional arrangement with necessary financial and human resources and authorities at all levels to mainstream women's concern at all aspects and sectors of development.

(b) Women entrepreneurship related objectives in NAP

The GoB developed a National Action Plan for Women's Advancement (NAP) in 1997. The NAP emphasizes the strategy of mainstreaming women's development into the policies and programs undertaken by various ministries, departments and agencies of the GoB. This plan puts emphasis on responsibilities of all stakeholders to bring women in all spheres of life. It also emphasized the need for inter-sectoral linkages, networking, co-ordination and collaboration for women's development. In this context, NAP assigned definitive set of responsibility to the Ministry of Industry to finance, train and provide other support to develop women's capability to undertake production enterprise. The main objectives of NAP in relation to women entrepreneurship development are as follows;

- adoption of a comprehensive and sustainable industrial policy that will promote equity for men and women,
- increase the number of women entrepreneurs,
- develop women's entrepreneurial skill,
- ensure women's easy access to market,
- provide infrastructural facilities for women entrepreneurs and
- upgrade technical know how of women and develop technology suitable for women;

In addition to these objectives, NAP declares an objective to develop women entrepreneurship and micro enterprise and to undertake action to identify potential women entrepreneurs. It has also envisaged undertaking studies to identify business opportunities for women; making provision for linkage with bankers and establishing contact with

the Ministry of Finance to allocate credit quota for women in the commercial banks.

(c) Women entrepreneurship related policies and objectives in the PRSP

Bangladesh has prepared a poverty reduction strategy paper (PRSP) to achieve efficiency in reducing poverty and to attain sustainable socio-economic development. This report extensively discusses the gender dimension of poverty and adopted a right-based approach to eliminate gender gap from all spheres of life. The same approach has been adopted for the advancement of women. In this context, PRSP has emphasized the development of women entrepreneurship as one of the means to women's advancement. The suggested PRSP interventions regarding women entrepreneurship development have been presented in Tables 4 and 5. Three types of intervention have been suggested in this strategy report. One type is immediate interventions, one type is short run interventions and the remaining one is long run interventions. It is very encouraging to notice from Table 4 that one suggested intervention is regarding the amendment of the family and inheritance laws to ensure women's equal access to the right to own and inherit property. In fact, it is a long felt demand of the women groups of Bangladesh since they could understand the fact that lack of ownership to property is the root cause of all forms gender inequality. It is also one of the root causes of low level of entrepreneurship development among women of Bangladesh.

An examination of the suggested interventions listed in Table 4 reveals that PRSP attempts at removing almost all obstacles faced by women entrepreneurs. However, examination of the interventions reveals a fact that policy makers are still conservative about the potential of women to grow as big entrepreneurs. No intervention was suggested in the PRSP to provide big loan to women. It concentrates women in the area of micro and small business. In very few cases, intervention was suggested to facilitate women's access to medium business. However, some of the short and long run suggested interventions made in this strategy paper related to the development of big women entrepreneurs.

Table 4: Women Entrepreneurship Development related Immediate Interventions Suggested in the PRSP

Sector	Interventions
Macro economic management	<ul style="list-style-type: none"> • Ensure that public expenditure review commission and the multi-stakeholder oversight body includes a gender equal balance; • Introduce higher level of tax exemption for women income earner; • Ensure separate budgetary allocation for advancement of women; • Increase allocation for women targeted programme and projects; • Exempt gift tax for transferring properties to daughters in law
Employment	<ul style="list-style-type: none"> • Ensure safe and decent environment in work place for women; • Take initiative to enter into contracts with overseas employers for ensuring work opportunity and safety; • Ensure one stop business development services for SMEs; • Ensure targeting of women in all credit and skill training programme and projects;
Crop Agriculture	<ul style="list-style-type: none"> • Distribute <i>Khas</i> land in the name of the female members of households; • Implement the law of transferring <i>Khas</i> land to wife if they become widow, separated or deserted; • Ensure gender disaggregated agriculture credit disbursements; • Agriculture policy has to be reviewed to establish women's property rights with governmental/non-governmental initiatives through policies/programs/projects to implement research findings;
Non-crop Agriculture	<ul style="list-style-type: none"> • Provide marketing facilities for women producers in non-crop agricultural activities; • Provide training to women for the production of non-crop products for which there is a demand in the domestic and regional markets; • Formulate new policy for creating women's access to <i>khas</i> property;
Private sector development	<ul style="list-style-type: none"> • Provide fiscal incentives to women to encourage them to undertake small and medium scale enterprises; • Provide tariff incentives for import of inputs in case of cottage and handicraft activities; • Encourage women entrepreneurs both in small and medium-

	<p>scale production and business activities;</p> <ul style="list-style-type: none"> • Allocate a special fund in the budget for business development of women entrepreneurs. • Provide women with access to local and international market;
Finance and Banking	<ul style="list-style-type: none"> • Make the banking system more women friendly by introducing innovative collateral provisions for women who do not own land; • Provide effective mechanism to get collateral free loan from local bank and other sources; • Allocate budgetary funds for providing small-scale loans to women; • Government policies for women, specially in the local level to support the sustainability or women's involvement in entrepreneurship and other finance related activities; • Expand the coverage of micro credit, market information, legal services, who are the "missing middle"; • Provide one stop service, with credit, market information, legal service, technology for micro credit borrowers;
Information & Technology	<ul style="list-style-type: none"> • Provide training for women on e-commerce, e-business; and ICT; • Encourage technological innovation for making household activities less time consuming at a minimum cost;
Macroeconomic management	<ul style="list-style-type: none"> • Provide utility, infrastructure and social services to save time so that women can participate in the labor market;
Governance	<ul style="list-style-type: none"> • Make government institution of infrastructure services delivery gender friendly;
Transportation and Communication	<ul style="list-style-type: none"> • To design transport facilities by incorporating special needs of women; • Ensuring safety of women while using transport facilities and ensuring safety of women while using transport facilities;
Physical Infrastructure	<ul style="list-style-type: none"> • Female-headed house hold and female vulnerable (PAPs) should be given extra support as transfer grant and Income Generating Activities (IGAs), skill training, credit, shelter etc;
Governance	<ul style="list-style-type: none"> • Provide gender friendly service delivery by government institutions; • Effectively implement existing laws on sexual harassment and sexual assault;
Institutional Arrangements	<ul style="list-style-type: none"> • Promote effective skill enhancing training's and other educational programs for women of different ages to increase their participation;
Private Sector	<ul style="list-style-type: none"> • Include women's perspective in privatization;

Development	
International	<ul style="list-style-type: none"> • Ensure participation of women's groups (women producer, women trade unions, women entrepreneurs, etc.) in WTO negotiations and in various committees of Ministry of Commerce; • Ensure gender concern are included in the Trade Policy Review Mechanisms; • Ensure market access to goods where women are 'behind the label'; • Encourage JETRO or other trading houses to come to Bangladesh; • Provide debt relief for achieving gender equality;

Table 5: Women Entrepreneurship Development related short and long run Interventions suggested in the RSP

Area	Short run Interventions
Law and Justice	<ul style="list-style-type: none"> • Amend the family and inheritance laws to ensure women's equal access to the right to own and inherit property.
Crop Agriculture	<ul style="list-style-type: none"> • Create and implement policies to give women access (title deed) to char land;
Non-crop Agriculture	<ul style="list-style-type: none"> • Introduce incentives for women producers to undertake large-scale activities in poultry, husbandry, etc.;
Private sector development (entrepreneurship)	<ul style="list-style-type: none"> • Make provision for garment workers to participate in equity ownership in the garment industry and provide financial support for this purpose; • Create portal for women entrepreneurs;

Area	Long run Interventions
Private sector development	<ul style="list-style-type: none"> • Help women to get industrial plots from the government;
Information and Technology	<ul style="list-style-type: none"> • Delivery system of information through mobile library; • Introduce E-business facilities in the rural areas for marketing of local products of women;
Transportation and Communication	<ul style="list-style-type: none"> • Encourage women entering transportation system as operators of vehicles; • Provide minibus, tempo, CNG and car to women for operating transport services;

(d) Other Policies

Following these highest national deeds, the government of Bangladesh has devised very few policies in the industrial, agricultural and monetary sectors, whereas these three sectors play influential role in developing

entrepreneurship. These policies of these three sectors have been discussed below very briefly.

(i) Industrial policy

Industrial policy of 1999 is the most comprehensive document in the industry sector. However, the issue of women entrepreneurship has been focused in this document very feebly, whereas this is an avowed issue in the Fifth Five Year Plan and NAP. There are statements about women only in three places of this document. These are as follows:

- To generate female employment in higher skill categories through special emphasis on skill development.
- To encourage female industrial employment, statutory provisions relating working conditions of female workers will be enforced at enterprise level.
- Organize entrepreneurship development programs with emphasis on women, unemployed youth, skilled artisans, returnee migrant workers and landless people.

An analysis of these statements clearly shows that the industrial policy of Bangladesh focused neither on women entrepreneurship nor it underlines specific strategies to develop entrepreneurship among women. Policy makers failed to perceive women's potential as entrepreneurs. Therefore, it outlined concern only about women's employment and it does not necessarily have a linkage with women entrepreneurship in the industrial sector. Moreover, in this policy, private initiative has been emphasized in case of undertaking production venture and women are unable to undertake any venture due to lack of their access to productive resources. Because of this policy, men enjoy all advantages provided by government in this sector. Thus, the industrial policy of Bangladesh did not identify women and their financial or other needs what is done in India where industrial policy incorporates special arrangements for women enterprises.

Bangladesh Small and Cottage Industries Corporation (BSCIC) is the promotional body and remains responsible for overseeing and extending support to the small and cottage industry sector (SCI). The third statement mentioned above is supposed to be implemented by this

agency. A study done under MWCA (*MWCA 2002*) reveals that the BSCIC could not perform functions according to this statement in case of developing women entrepreneurship. This study shows that in the SCI sector, only a very small percentage (3.8) of total number of enterprises are owned by women entrepreneurs and another small percentage (3.8) of enterprises are jointly owned by men and women. However, women can satisfy almost all characteristic of the SCI sector, such as requirement of small capital, simple technology, local raw materials etc.

(ii) Agricultural Policy

All ministries under agricultural sector have their national policies. All these policies recognized women as farmers and suggested actions to provide agricultural services. But in reality, it has been found that women do not get advantages from this policy. Result of a study shows that women's share in the total agricultural inputs supplied by the government institutions is only 14.7 per cent (*Choudhuri Zohir 2005*). The same study shows that while men received training mainly in farming, women get training on poultry farming. This finding suggests that women are not considered as farmers although agricultural policy recognized women as farmers. Non-recognition of women as farmers is revealed further when it is found that most of the agricultural loan is provided to men. The above mentioned study shows that about one-fifth of the loan taken by women was used by men. Only a little more than 14 per cent of women use the loan money absolutely themselves.

Analysis of the agricultural policy shows that women get negligible facilities in the agricultural sector even though policy is women sensitive. It is mainly because of the fact that in most cases, women do not own agricultural land. Hence, women-focused policy should be adopted to supply agricultural services.

(iii) Monetary Policy

Monetary policy plays a vital role in facilitating access to credit and availability of credit is an essential condition of developing entrepreneurship. But, there is no credit policy in the country, which could be devoted for development of women entrepreneurship. In place of a credit policy, what is available is a set of credit arrangements guided by Bangladesh Bank (BB). In these credit arrangements, a lot of

flexibility has been ensured for running the credit system and women entrepreneurs may get some benefits from these flexibilities. There is also no policy prescription in the Industrial Policy of Bangladesh that suggests that bank or other financial institutions should have special arrangements for financing women's enterprises.

Gender specific policy has been adopted only in case of opening of women branch in the commercial bank. Almost all nationalized banks have women branch. But women branches aim at mobilizing savings from women rather than providing loan to women for investment. For this reason, these branches are running at a loss. Some banks like Janata bank have undertaken a policy to provide big loan to women without collateral. But in practice, it has been found that banks often insist women to bring husbands' or other male relatives' consent as guarantee before providing loan to women. Krishi bank also has a program to provide Krishi loan to women. Information collected from Krishi bank shows that very few women have demanded this loan. It is mainly because that loan giving procedure is complicated for less educated women. In addition women must have some material base to invest loan. But women lack material base.

A special bank named BASIC is established with the mandate to finance small and cottage industries sector. Since its direct lending program could not be so successful, so it is now operating through NGOs in this respect. But, unfortunately, its mandate is not adequately utilized by the lending of NGOs. The NGOs do not finance small industries or even cottage industries of higher levels. The statistics in respect of this function of BASIC show that out of 237 projects directly funded by the bank in 1998, only two were women entrepreneurship related.

(e) Women entrepreneurship related objectives in the International Treaties

Bangladesh is also a signatory of several international treaties regarding women's development. Among these, Convention for the Elimination of all forms of Discrimination Against women (CEDAW) and Platform for Action (PFA), Fourth World Conference on Women, Beijing 1995, are paramount.

The Fourth World Conference of United Nations on Women Development in Beijing adopted Platform for Action Plan (PFA). Article 12 of this treaty mentions the issue of the equal economic right and opportunities and development of women. It includes the right of the women for credit, which is a basic pre-condition for the development of women entrepreneurship. The government of the Peoples Republic of Bangladesh has adopted the Platform for Action and thus commits to implement the resolution of the PFA. The Ministry of Women and Children Affairs has set up an inter-ministerial Task Force to follow-up the implementation of the resolution of the PFA.

Elimination of all forms of Discrimination Against women (CEDAW) is another international document, which the GoB has ratified, although with four reservations. Later on two reservations have been withdrawn. But one of the other two on which reservation is still retained is related to development of women entrepreneurship since this article is regarding ownership of property by women. Thus, CEDAW has very little to do with the development of women entrepreneurship. However, Article 11 and 13b are conducive to the development of women entrepreneurship. Article 11 of this convention provides for equality of employment and training and also provides free choice of profession. Article 13b provides for women's rights to bank loan, mortgage and other forms of financial facilities. But analysis of various national policies reveals that except NAP, all other national policies have taken these articles into consideration very little.

Chapter V

Performance of National Budget of Bangladesh to Develop Entrepreneurship among Women

Discussions in the previous chapter show that national policies and objectives regarding development of women entrepreneurship are not very discouraging. These policies envisage that implementation of these policies will enable women to undertake business ventures. National annual budget is the primary tool in the hand of the government to implement the women entrepreneurship related policies and objectives undertaken in various national documents. An attempt has been made in this chapter to evaluate the performance of the national budget to implement women entrepreneurship related policies and objectives. To what extent, the budgetary measures enable women to solve the problems faced by them to undertake any business venture will also be an indicator of the performance of the national budget to develop entrepreneurship among women.

National budget has two components –revenue budget and development budget. More than half of all government expenditure is revenue expenditure. The salary and other amenities given to the government employees constitute the lion share of the revenue expenditure. This component of budgetary expenditure has very little to do with the development of women entrepreneurship. A part of the revenue resources is allocated for some safety net programs among which old age pension program, widow pension program, GR; TR and VGD programs are main. Safety net programs target hard-core poor to ensure them a minimum level of income and consumption. Therefore, these programs have no role to develop women entrepreneurship. But findings showed that in few cases, women beneficiaries of these programs developed as micro entrepreneurs (*Mannan and Paul-Majumder 2003c*). This fact indicates that entrepreneurial potential in women is so strong that even a very little support sprouts it up.

Fiscal policy and measures undertaken in the revenue budget has tremendous bearing on the development of women entrepreneurship. These measures and policies have been assessed in this section in order to find out to what extent fiscal measures encourage, discourage or

hinder the development of women entrepreneurship. Annual Development Program (ADP) included in the development budget of Bangladesh is the primary tool of the government to achieve its women entrepreneur-related objectives fixed in various national documents. Therefore, development budget has been examined in this section to assess the performance of national budget to develop women entrepreneurship.

5.1 Performance of Taxation Policy and Fiscal Measures to Develop Women Entrepreneurship

5.1.1 Positive impact of Taxation Policy and Fiscal Measures on Women entrepreneurship

National budget can play a dominant role in developing women entrepreneurship if a gender sensitive fiscal policy is undertaken. The government can augment entrepreneurial potential of women by formulating fiscal policies that direct resources towards women and provide tax rebate or tax holiday facilities to women entrepreneurs. But examination of fiscal measures undertaken in the national budget of the last five fiscal years shows that no women entrepreneur specific fiscal policy is adopted in the national budget of Bangladesh. However, women and women entrepreneur can derive some benefit from the general fiscal policy because of some of their characteristics.

An increase in the income tax floor from Tk. 75,000 to Tk. 100,000 in the budget benefited women greatly since this taxation policy has possibility of rising the savings of low income earning women group as women has inherent high propensity to save. They can invest this savings to undertake some business ventures. The exemption of taxes from income resulted from micro credit program further benefited women since this measure is supposed to increase micro entrepreneur who are mostly women. There are some more exemptions in this budget. Income from fishery, poultry etc., is exempted from taxation up to 2005. It is also proposed to grant exemption to income from the production of poultry feed up to 2005. These exemptions of income tax largely encourage women to undertake poultry business. Exemption of income tax from the production of poultry feed will stabilize the price encouraging women further to undertake poultry business.

There were provisions in the national budget of the past few fiscal years to decrease the taxes on income from the transportation sector. In the budgets of past few fiscal years, the indirect taxes on Double Decker and large buses have been decreased. This measure plays a role to solve the transport problems of the women entrepreneur. Women entrepreneurs were positively effected by the decrease of indirect taxes on storage equipment made of PVC with zipper, platform made of plastic for vegetable plantation, nursery tray etc. Because they are large participants in storage, vegetable plantation and nursery businesses. The tax prerogatives given to the IT sector may affect women entrepreneurship since this tax prerogatives are supposed to facilitate women's access to information.

However, the tax system proposed in the national budgets of last five fiscal years helped men entrepreneurs more than their counterpart women. It has been proposed in the budget to decrease the interest rate on the industrial loans. The duties on some raw materials and intermediate goods have also been proposed to be decreased. There is also a proposal to abolish property tax. As men are the predominant owners of industries and properties these incentives go in their favor. All the tax incentives proposed in the agricultural sector would also single handily help men entrepreneurs as men are the owners of most agricultural land and equipments. Due to the same reasons men are the single beneficiaries of all the decisions taken in case of agricultural loan. Another privilege solely enjoyed by men is the illegal way of making black money white. The current budget gives the opportunity to make black money white by declaring the amount and paying a 7.5% income tax to the government without any conditions. The men have almost all the black money in this country. This national privilege could have facilitated women's access to fund if there is a provision that black money would be white if money is transferred in the name of a woman member of a household.

5.1.2 Negative impact of Taxation Policy and Taxation Measures on Women Entrepreneurship

In general, tax policy and measures in Bangladesh are too complex to be understood by an average income earner. Tax policy and taxation are subject to many anomalies and contradictions, which exert an adverse influence, direct and indirect, on the investors including women investors of the country. For example, loan amounting to more than TK 50,000 if

not taken from a bank or through a crossed cheque issued on a bank, is treated as income. Loan money is also taxable as income if the borrower is unable to repay the same within 3 years. This tax system affect women entrepreneur more than their male counterparts since they do not have access to bank loan. Findings of a study showed that in about 87 per cent cases, women entrepreneurs derive capital for their business from informal sources (*MWCA 2002*).

As per section 184A of Income Tax Ordinance 84, any person submitting an application for obtaining tender document for supply of goods, execution of contract, opening letter of credit for import, trade license etc, is required to furnish a certificate from the Deputy Commissioner of Taxes containing a Tax Identification Number (TIN). A person is qualified to receive a TIN certificate only when he/she is a tax payer. This system discourages women to undertake activities requiring TIN since most of them are not tax payers. Whereas, activities requiring TIN are more income generating. Moreover, the issuance of TIN is highly centralized. The National Board of Revenue (NBR) at the central issues this certificate. A woman of an Upazila requiring TIN has to send her application to the Deputy Commissioner of a district. He will send it to the Commissioner stationed at division level after scrutiny. The Commissioner after being satisfied with the merit of the proposal will forward the application to NBR for issuing TIN. NBR will issue the certificate only when they are satisfied adequately. Thus, the process is very long and time consuming, which a woman of a conservative society like Bangladesh hardly can complete. Moreover, at various stages of this process the applicant needs social networking and also needs to pay money to the officers to approve their files.

As per rule 38 of the Income Tax Rules, a fund declared as initial capital in the self-assessment cannot be transferred in any manner or lent out within five years from the year of assessment. Imposing embargo on the transfer of capital or any fraction of it or lending the same has a negative implication for potential women entrepreneurs. Because, the women entrepreneurs suffering from shortage of fund will be deprived of the borrowing facility or receiving gift from their relatives or friends who declared capital in the self assessment. For the same reason, the potential women entrepreneurs, who want to start some business venture, will also be deprived from a source of capital, which is mostly used in the development of women entrepreneurship.

Gift is a very important source of capital for women entrepreneurs. According to income tax rules, gifts made by parents to their children or by children to their parents or gift made between spouses, brothers, and sisters are tax-free. But gifts made by others above Tk.20,000 (twenty thousand) are taxable. Gifts from in-laws are also taxable whereas most of the married women in Bangladesh spend her whole life in in-laws' house, and they accept their mother-in-law and father-in-law as their parents. But they can not receive any gift from them without paying tax. This law poses illogical hindrance for both existing and potential woman entrepreneurs to use gift as a source of fund without going into extra cost. This tax system discourages the gift giver to help women entrepreneurs with funds. This system poses as hindrance in the way of transferring resources towards women.

At present, value added tax is a big source of revenue earning in Bangladesh. It is imposed on a large number of goods. For women entrepreneurs, there is no special consideration in administering VAT. Thus, this tax curtails the net earnings of the women entrepreneurs to a large extent, which in many cases discourages them to continue their business.

For the encouragement of investment, tax holiday system was introduced as an incentive during Pakistan time. Tax holiday means exemption from payment of tax on profits and gains from business or industry for a specific period of time. However, this system is supposed to be discontinued with effect from 30-6-2005. For entitlement to this facility the undertaking shall have to fulfill some conditions. Some of the conditions are as follows:

- It has to be owned and managed by a corporate body or by a company formed
- Under the Companies Act, 1993 or the company laws 1994.
- It has to be engaged in the manufacturing of goods or materials or subsection of goods or materials related to any process or exploration or extraction of mineral resources, processing of agricultural products, or in providing physical facility and in the tourism industry.

- At least 30% of the tax holiday profit shall be reinvested in the said undertaking or in any new industry, stocks and shares of public companies or in government bonds and securities.

Women were not able to reap the benefit of the tax holiday since they can hardly fulfill these conditions. The fulfillment of the above conditions means that the undertaking should be a big enterprise and women with very limited access to all types of resources required for establishing a big enterprise were not be able to undertake any such venture before June 30 2005.

Existing tariff system also affects the development women entrepreneurship negatively. Opportunity for import of consumers' goods at low tariff puts women entrepreneurs, (who produce some of the imported consumer goods locally) in unequal competition with the products of the countries, which have comparative advantages in raw materials and technology. It has been observed that women engaged in tailoring business are in tough completion with Indian product.

5.2 Role of Development Budget in Developing Women Entrepreneurship

Annual Development Program (ADP) included in the development budget of Bangladesh is another powerful tool of the government to achieve its women entrepreneur -related objectives fixed in various national documents. To achieve these objectives, what type of program should be undertaken; how much income could be generated and from which sector; how much should be spent in which sector; which sector should be given priority— all these elements are determined by the government through the ADP in the national budget. Through this mechanism, the government can determine its allocative priorities of the public expenditure in favour of developing women entrepreneurship. Thus, an evaluation of ADPs is essential. In this sub-section, ADPs have mainly been evaluated in terms of its performance in achieving the women entrepreneur related objectives set in various national policy documents and removing the factors that affect the development of women entrepreneurship negatively.

Amount of budgetary resources is directed towards women's entrepreneurship development both through women-focused and gender-sensitive development projects. Therefore, allocation for these two types

of development projects is the most important indicator to assess the extent to which national budget of Bangladesh enables women to undertake business ventures. Allocation for women in the directly growth oriented sector is supposed to augment the ability of women to undertake business enterprise much faster than allocation in other sectors, which are not directly growth oriented and which are primarily welfare-oriented. Therefore, amount of budgetary allocation for women in the directly growth oriented sector is another influential indicator to assess the role of national budget to develop women entrepreneurship. In addition, enabling women to undertake business venture through budgetary allocation not only depends on the amount of allocation for women or women specific target, but also on the nature of the development projects and extent of implementation of these projects.

5.2.1 Women's Share in the directly Growth Oriented Sectors and its Impact on the Development of Women Entrepreneurship

Budgetary allocation for women in the directly growth oriented sectors enables women significantly to acquire a material base to undertake business ventures. But it can be noticed from Table 6 that women share only a minute amount of total budgetary allocation earmarked for the directly growth oriented sectors. The table shows that during the fiscal year 2001-02, women have full control (women-focused programs) over only 5.10 per cent of the total allocation earmarked for these sectors. This amount decreases continuously over time. It can be noticed from Table 6 that this share decreased to 0.74 per cent in the current fiscal year (2005-06). It is discouraging to notice again from the same table that in each and every fiscal year, women's absolute share in the revised budget of the directly growth oriented sector decreased further. In the fiscal year 2001-02, 21 development projects were under taken only for women. But in the current fiscal year (2005-06) this number decreased to only 3.

Another discouraging thing to notice from Table 6 is that the share of gender blind projects in the total budget of the directly growth oriented sector is increasing steadily overtime and opposite is the case with the gender sensitive projects. In the fiscal year 2001-02, gender-sensitive programs accounted for 24 per cent of the total allocation earmarked for the directly growth oriented sector. This share decreased to about 20 per cent in the current fiscal year (2005-06). It seems women are getting less

and less benefits from the directly growth oriented sector. This fact indicates that national budget of Bangladesh does not allocate adequate productive resources for women. As such, women could hardly build material base to undertake any business venture.

Table 6: Women Share in the Directly Growth-Oriented Sectors Fiscal years 2001/02-2005/06 (Tk.in crore)

Type of Development Project	Fiscal Year				
	2001/02	2002/03	2003/04	2004/05	2005/06
Number of Development Project					
Gender blind Project	242 (74.23)	410 (74.68)	442 (78.23)	349 (79.49)	355 (81.61)
Gender-sensitive Project	63 (19.23)	132 (24.04)	118 (20.88)	86 (19.58)	77 (17.70)
Women-focused Project	21 (6.5)	7 (1.27)	5 (0.88)	4 (0.91)	3 (0.69)
Total No of Project	326 (100.0)	549 (100.0)	565 (100.0)	439 (100.0)	435 (100.0)
Budgetary Allocation					
Gender blind Project	3319.01 (71.16)	7217.18 (74.95)	8452.53 (76.61)	8223.05 (75.89)	9106.51 (79.45)
Gender-sensitive Project	1107.29 (23.74)	2281.93 (23.70)	2424.48 (21.97)	2454.79 (22.66)	2271.18 (19.81)
Women-focused Project	237.81 (5.10)	130.07 (1.35)	156.38 (1.42)	157.00 (1.44)	84.33 (0.74)
Total	4664.11 (100.0)	9629.18 (100.0)	11033.39 (100.0)	10834.84 (100.0)	11462.02 (100.0)
Budgetary allocation revised					
Gender blind Project	5980.13 (74.67)	5798.62 (72.10)	8100.20 (76.09)	8792.93 (75.39)	Na
Gender-sensitive Project	1924.29 (24.03)	2132.08 (26.51)	2436.85 (22.89)	2754.39 (23.61)	Na
Women-focused Project	101.85 (1.27)	111.30 (1.38)	108.21 (1.02)	116.17 (1.00)	Na
Total	8009.27 (100.0)	8042.00 (100.0)	10645.26 (100.0)	11663.49 (100.0)	Na

Note: Figures within parenthesis are share (%) of each type of project in the total development funds allocated for the agricultural sector.

Source: Annual Development Programme, various fiscal years, Planning Commission, Government of the People's Republic of Bangladesh.

Examination of budgetary allocation by each growth oriented sector reveals that women have no absolute share in the most influential growth oriented sectors like agriculture. Agriculture is the most influential sector affecting women's ability to undertake any business venture, since women's extensive production activities in the agricultural sector range from livestock and poultry raising, homestead vegetables, fruits and spices to homestead forestry for timber and fuel. They are also heavily involved in storing and processing of food grain. But no women-focused development program has been undertaken in this sector. Budgetary allocation for gender-sensitive development programs has also not increased significantly during the last five fiscal years. Moreover, it was observed that competing with men, women could attain a very small amount of benefit from the gender-sensitive development programs undertaken in the agricultural sector. Findings of a study showed that only 2 per cent of total beneficiaries of 'National Livestock Entrepreneurship Development Project' are women. Similar is the case with 'Crop Diversification Project' (*Paul Majumder et. al. 2003*). Beneficiaries of these two projects could undertake high return earning activities. But women are deprived from this benefit. However, findings of the same study show that women got exceptionally large share from the Agricultural Diversification Intensification Project. It has been found about 80 per cent of the beneficiaries of this project are women. It is mainly because of the fact that this project is being implemented through 22 partner NGOs, who generally work with women. It is also because of the fact that activities undertaken through this program are low return earnings.

Industrial sector is another growth-oriented sector that can empower women adequately to undertake gainful business activities. Traditionally, women are heavily involved in this sector. Findings of a study showed that 36 per cent of total workers employed in the cottage industry are women (*Rural industry Survey Project Final Report, 1979, BIDS*). Findings further show that about 70 per cent of the workforces employed in the garment sector are women (*Paul-Majumder 2005*). But women get very little benefit from the budgetary allocation earmarked for the industrial sector. It was found that during the fiscal year 2001-02, women had complete control over only about 5 per cent of total allocation earmarked for the industrial sector. In the same fiscal year, women shared another 27 per cent of the total allocation with men. It was found

that there is no fixed target for women in most of the gender-sensitive projects undertaken in the industrial sector. Therefore, competing with men, naturally women can attain very little benefit from these projects. Findings of the above mentioned study (*Paul-Majumder et. al 2003d*) showed that women constitute only 12 per cent of the total beneficiaries of the gender-sensitive industrial projects— ‘Credit Program for poor Weaver’, although they constitute about 30 per cent of total beneficiaries of the gender-sensitive industrial project— ‘Poverty Alleviation through Income Generating Activities.’ The second project relates to micro credit. Thus, women have little bit more access to that project. But the first one is related to providing big credit to the weavers. Thus, the development programs where women are involved are less productive. Therefore, women entrepreneurship has not developed much beyond micro entrepreneurship.

It is also because of the fact that only distressed and very low-income women have been targeted whenever women were integrated in the industrial sector. Women-focused industrial programs listed in Table 7 indicate that nature of programs has not changed much over time. Most of these programs focus primarily on micro credit and aim at creating self-employment rather than developing entrepreneurship. Micro credit programs can never enable women to undertake profitable business. Therefore, increasing allocation for these programs will not develop efficient and competent entrepreneurship among women.

“Women Entrepreneurship Development Project (WEDP)” listed in Table 7 is the only program in the industry sector which is directly related to women entrepreneurship development. BSCIC initiated this project in 1982 with the support of USAID. It is the first program to support women with bigger amount of capital without collateral compared to micro credit program. The highest ceiling of the loan is Tk. 60,000 (sixty thousand). The activities of this program are also different from micro credit program. The major activities of WEDP are providing pre-investment counseling, assisting in project appraisal and feasibility studies, extending credit facilities, imparting training and providing marketing and technical support. All these activities are very conducive to develop entrepreneurship. It can be noticed from Table 7 that in the fiscal years 2001-02 and 2002-03, this program spent actually more than allocation. It indicates that in terms of implementation this project was

successful. This fact also indicates that women are willing to borrow big loans. Business success of the borrowers of this project is also good. Findings of a study showed that the rate of disbursement of loan provided by this project is about 92 per cent (*MWCA 2002*). But it can be noticed from Table 7 that very small amount is allocated for such important project. Moreover, this women entrepreneur friendly project discontinued since the fiscal year 2004-05.

Table 7: List of Women-Focused Development Programmes in the Industrial Sector of Bangladesh: (Fiscal Years 2000/01-2005/06) (Tk in crore)

Fiscal Year	Name of Women Focused Project	Proposed	Revised	Actual
2001-2002	1. Women Entrepreneurship Development	4.00	5.00	5.00
	2. Integrated Serwtci Trust Programme (Self-employment for Rural Destitute Women through Collage Industries. Trust-on expended programme).	-	1.00	1.00
2002-2003	1. Women Entrepreneurship Development Programme.	1.00	6.00	6.00
	2. Integrated Serwtci Trust. Programme (Self-employment for Rural Destitute Women through Collage Industries.	3.00	2.50	2.79
	3. Land Acquisition and Creation of Infrastructure Facilities for Dormitory of Female Workers at Dhaka EPZ & Chittagong EPZ.	7.59	1.50	0.75
2003-2004	1. Women Entrepreneurship Development Programme.	6.16	-	1.54
	2. Serwtci Trust-Extension Programme (Self Employment for Rural Destitute Women through Cottage Industries, Trust-on Expanded Programme).	3.16	3.50	3.50
2004-2005	1. Serwtci Trust-Extension Programme (Self Employment for Rural Destitute Women through Cottage Industries, Trust-on Expanded Programme)	2.00	2.00	N.A
2005-2006	1. Serwtci Trust-Extension Programme (Self Employment for Rural Destitute Women through Cottage Industries, Trust-on Expanded Programme)	1.50	N.A	N.A

Source: Annual Development Programme 2001/02-2005/06, Planning Commission.

Directly growth oriented sector like the Rural Development and Institution can also affect the development of women entrepreneurship. However, the national development objective of this sector was formulated with poverty eradication as the main thrust. Poverty eradication-oriented development programs hardly can develop competent entrepreneurship. Moreover, development programs in this sector target poor and destitute women who have hardly any potential to go beyond creating self employment.

It was found that except for two or three programs, none of the development programs undertaken in this sector targets women's development exclusively. It was also found that except for 'Rural Maintenance Programme', very little amount has been allocated for women-focused projects undertaken in this sector (Table 8).

'Rural Maintenance Programme (RMP)' is successful in both solving the women entrepreneurs' problem of transport and access to monetary resources and skill training to a certain extent. The RMP provides employment to rural destitute women, who are either widowed, divorced, abandoned or have disabled husband. Once employed under the RMP, a destitute woman in a group continues her job for three years and three months. During the rest nine months she receives skill training. However, she receives regular daily wage of Tk. 43 for four years. A portion of her daily wage (Tk.8) is compulsorily saved in her account, which accumulates as her start up capital for investment in income generating activities at the end of her job tenure.

Table 8: List of Women-Focused Development Programs in the Rural Development & Institution sector, FY 2000/01-2005/06 (Tk in crore)

Fiscal Year	Name of Women Focused Project	Allocation	Revised	Actual
2000-2001	1. Self-Employment Project for Poor Women	3.00	2.60	2.60
	2. Rural Maintenance Programme (Phase-III)	78.00	85.68	76.92
2001-2002	1. Self-employment Project for Poor Women.	2.00	2.00	1.00
	2. Rural Maintenance Programme (Phase-III)	77.68	80.38	79.03
	3. Rural Road Maintenance through Distressed Women in Hilly Districts (II)	-	-	1.60

2002-2003	1. Self-Employment Project for Poor Women. 2. Rural Maintenance Programme (Phase-III) 3. Rural Road Maintenance through Distressed Women in Hilly Districts (II)	1.32 68.00 -	- 68.00 -	1.99 58.32 18.46
2003-2004	1. Rural Maintenance Programme (Phase-II). 2. Productive Employment & Development Programme for Women Food Assistance 3. WFP Country Programme 2001-05: Feeder Road Rehabilitation and Maintenance and Integrated Food Security and Rural road Maintenance Project Thorough Destitute Women in Hill Districts	76.53 - 157.30	105.19 - 146.54	103.0 3.0 0.28
2004-2005	1. Rural Maintenance Programme (Phase-II). Technical Assistance 2. Productive Employment & Development Programme for Women. Food Assistance 3. WFP Country Programme 2001-05: Feeder Road Rehabilitation and Maintenance and Integrated Food Security and Rural road Maintenance Project Through Destitute Women in Hill Districts.	83.91 0.09 172.00	7.55 - 155.62	
2005-2006	1. Rural Maintenance Programme (Phase-III). Technical Assistance 2. Productive Employment & Development Programme for Women. Food Assistance 3. WFP Country Programme 2001-05: Feeder Road Rehabilitation and Maintenance and Integrated Food Security and Rural road Maintenance Project	62.83 0.23 274.00	N.A N.A N.A	N.A N.A N.A

Source: Annual Development Programme 2001/02-2005/06, Planning Commission.

RMP program employs approximately 41,400 destitute rural women every year. Income Diversification Component (IDC) of the RMP provides life management training to 10,000 beneficiary women per year. This training lasts for 9 months. After one batch has been graduated, a new batch takes its place. The life management training and forced savings are two essential conditions of developing entrepreneurship. Maintenance of good passable road in the rural areas is the main activity of this program. This activity keeps the road in rural areas passable. Lack of good passable road is a severe problem in rural areas of Bangladesh. Due to this problem, mobility of both goods and persons are adversely affected. But easy and speedy movement of goods and people is an essential prerequisite for developing entrepreneurship, particularly women entrepreneurship. Because for socio-cultural reason, lack of good passable road affects women entrepreneur's mobility more than that of their male counterparts. Findings showed that this program created a number of successful women micro entrepreneur.

Now RMP is a countrywide program working in 4140 unions out of 4479 unions of Bangladesh. The project is jointly funded by the Canadian International Development Agency (CIDA), and the Government of Bangladesh (GOB). Similar impact has been obtained from the 'WFP Country Programme 2001-05'. It is worth mentioning that almost all women-focused programs are funded by foreign donors. Therefore, the future of these types of projects is uncertain. For example, at the beginning of the RMP program, CIDA contributed around 90 per cent of the total cost of this program. But CIDA's contribution decreased gradually. During the fiscal year 2000-01, CIDA's contribution was 45 per cent of total cost. CIDA plans to close its RMP funding in the near future. It can be noticed from Table 8 that in the revised budget of the fiscal year 2003-04, only tk. 7.55 crore was allocated for this program whereas in the revised budget of the fiscal year 2001-02, this amount was as large as tk. 85.68 crore.

Gender-sensitive projects account for only one fourth of the total projects in this sector. Policy dictates that women will receive 60% of the benefit from these projects. However, as in other growth-oriented sectors, men receive more benefits than women from the gender-sensitive programs undertaken in the Rural Development and Institution sector. Findings show that women constitute only 25 per cent of the total beneficiaries of

‘Integrated Food Assisted Rural Development Program’. In Rural Development Project-20: Infrastructure of Greater Comilla Program, women constitute only 9 per cent of the total beneficiaries although policy dictates that women will receive 60% of the benefit from these projects.

Women have no absolute control over any amount of the budgetary allocation earmarked for the growth-oriented sectors like power, oil, gas, transport, communication etc., although they share some of the resources of these sectors together with men. It has been estimated from the development budget of five fiscal years (2001/02-2005/06) that only about 17 per cent of total budget earmarked for these sectors are invested in the gender-sensitive programs. But no target for women has yet been fixed in these gender-sensitive projects. Therefore, as usual, women can attain very little share from these projects.

It has been mentioned in an earlier chapter of this study that women friendly transport and communication is a severe problem in the development of women entrepreneurship. Examination of the development programs undertaken for the transport sector during the last five fiscal years (2001/02 to 2005/0) shows that there is no program aiming at removing this problem. Examination shows that there are only few gender-sensitive programs from which women entrepreneurs can attain some benefits together with men. The nature of the rest of the transport programs is such that these can hardly impact women at their present level of mobility. It has been found that only 3 per cent of total development allocation earmarked for the transport sector in the fiscal year 2001-02 has been allocated for gender sensitive transport programs. This share has not increased much over time. It is very disappointing to know that about half of this trifle amount remained unused at the end of all fiscal years. Development of feeder road is very gender sensitive. But very little amount is allocated for the development of feeder road. As a result link road increased very little.

One of the gender objectives of NAP was to provide transport facilities to support women's mobility. To fulfill this objective, the Bangladesh Road Transport Corporation (BRTC) under the Dhaka Urban Transportation project introduced a bus service only for women in six routes of Dhaka city. But the number of buses and routes covered by this

service are very limited compared to women's needs. Till now, no effective measure was undertaken to increase footpath, whereas development of accessible and clean footpath could address the mobility need of women entrepreneurs to a large extent as micro entrepreneurs commute primarily by walking. It is mainly due to the fact that the policy makers are unaware about women's need for transport. They are also unaware about the fact that existing transport system, which traditionally was geared to meet the transport needs of men is unable to meet the same of women.

Women entrepreneurs would have got more benefit if the policy regarding the expansion of telecommunication and postal services to rural areas was given prior importance since majority of women live in villages. But this policy got least importance while budgetary allocation was made. During the fiscal year 2001-2002, only Tk. 2.81 crore was allocated in the national budget to establish trunk automatic exchange in thana and district head quarter, whereas total budgetary allocation for the communication sector during the same year was Tk. 653.24 crore. It has been found that in no fiscal year, allocation for these types of gender-sensitive programs exceeds 3 per cent of total allocation earmarked for the communication sector. Moreover, in no fiscal year, programs only for women were undertaken.

5.2.2 Women's Share in the Indirectly Growth oriented Sectors and its Impact on the Development of Women Entrepreneurship

Indirectly growth oriented sectors are influential in increasing the efficiency and forming social capital among men and women and these are essential qualities of an entrepreneur. These qualities enable a person to undertake risk of a business and risk involved businesses are highly profitable. These qualities also enable him/her to face competition from others and facing competition efficiently is another essential quality of an entrepreneur. It has been found from the earlier discussion of this study that women lack these qualities to a large extent.

It can be noticed from Table 9 that during the fiscal year 2001-02, women had absolute control over a little more than 10 per cent of the total development funds allocated for the indirectly growth oriented sectors. The table further shows that this share increased to 13.5 in the

current fiscal year (2005-06). During the five years period (2001/02-2005/06), women's absolute share in this sector increased by only a little more than 3 per cent.

It can be noticed from Table 9 that budgetary allocation on gender-sensitive projects increased from 43.0 per cent in the fiscal year 2001-02 to 49.3 per cent in the current fiscal year 2005-06. It may be an indication that to mainstream women in development, the issue of women's development has been dispersed over a number of programs rather than concentrating it in some women-focused programs. However, an examination of annual development programs undertaken in these sectors shows that most of the women's share in these sectors is concentrated in health and education sectors. It has also been estimated from the development budget of the fiscal year 2001-02 that more than 85 per cent of women-focused programs undertaken in the indirectly growth oriented sectors are concentrated in the health and education sectors.

Table 9: Women's Share in the Indirectly Growth-Oriented Sectors Fiscal Year 2001/02-2005/6

Type of Development Project	Fiscal Year				
	2001/02	2002/03	2003/04	2004/05	2005/06
Number of Development Project					
Gender blind Project	110 (65.1)	89 (49.4)	88 (48.6)	62 (47.7)	61 (48.0)
Gender-sensitive Project	61 (36.1)	92 (51.1)	83 (45.9)	56 (43.1)	44 (34.6)
Women-focused Project	14 (8.3)	17 (9.4)	21 (11.6)	21 (16.2)	22 (17.3)
Total No of Project	169 (100.0)	180 (100.0)	181 (100.0)	130 (100.0)	127 (100.0)
Budgetary Allocation (proposed)					
(Tk. in crore)					
Gender blind Project	2002.9 (46.8)	1919.5 (38.2)	1763.8 (38.3)	1665.5 (29.7)	2114.2 (37.2)
Gender-sensitive Project	1840.9 (43.0)	2596.0 (51.7)	2345.9 (50.9)	3036.6 (54.1)	2802.0 (49.3)
Women-focused Project	438.1 (10.2)	501.9 (10.0)	500.1 (10.8)	910.4 (16.2)	768.2 (13.5)
Total Budgetary Allocation Project	4281.9 (100.0)	5016.9 (100.0)	4609.8 (100.0)	5612.5 (100.0)	5684.4 (100.0)

Budgetary allocation (revised)					
Gender blind Project	1805.7 (48.8)	1872.1 (44.2)	1593.1 (39.2)	1078.2 (31.2)	N.A
Gender-sensitive Project	1508.2 (40.8)	1885.3 (44.6)	1643.5 (40.5)	1768.5 (51.1)	N.A
Women-focused Project	386.7 (10.5)	474.1 (11.2)	825.9 (20.3)	611.8 (17.7)	N.A
Total Actual Expenditure	3700.7 (100.0)	4231.5 (100.0)	4062.5 (100.0)	3458.6 (100.0)	N.A

Source: Annual Development Programme, various fiscal years, Planning Commission, Government of the People's Republic of Bangladesh.

Note: *Figures within parenthesis are share (%) of each type of project in the total development funds

This concentration has been broken down little over the last five years. It has been found that during the current fiscal year (2005-06), 80 per cent of the women-focused programs undertaken in the indirectly growth oriented sector are concentrated in health and education sectors. However, it is very encouraging to observe that during this fiscal year both Science & Technology and Labour & Employment sectors have women-focused programs. Gender-sensitive projects in these two sectors have also increased over time. These two sectors are very influential in empowering women to attain productive forces to undertake business ventures. But women could attain very little benefit from the gender-sensitive project, as there is no specific target for women.

Among the indirectly growth oriented sectors, education sector is the most influential indirect route of augmenting women's entrepreneurial quality. The GOB has undertaken various educational programmes in the development budget only for women. Eight of these projects underway at present. In addition, most of the development projects undertaken in the education budget in various fiscal years are more or less women friendly. But in spite of undertaking affirmative actions and women friendly development programs, women's share in the total education budget is very small. During the current fiscal year (2005-06), women-focused projects obtained only about 11 per cent of total education budget. Moreover, such development programs are undertaken for women, which produce low level of human capital.

An examination of the list of women-focused development programs undertaken in the education budget during the last five fiscal years

showed that nature of women-focused education project changed very little over time. It has been observed that only 2 out of 10 projects undertaken in 2001-02 were on the establishment of non-traditional educational institutes like polytechnic institute for women. In the fiscal year (2004-05), the number of such project increased to three. A new project namely 'SSC/HSC (vocational) and Business Management Female Stipend Project' has been undertaken in the education budget of the fiscal year 2003-04. Efficient implementation of this project is supposed to have highly positive impact on women entrepreneurship development. But in the revised budget, no resources were allocated for this project and this project is eliminated from the budget of the current year's (2004-05) budget.

It has already been mentioned earlier that women have very little access to vocational training and higher education. It has also been mentioned that women have little access to professional education like engineering, leather technology, textile technology, IT etc, whereas professional education is very influential to empower a person to undertake entrepreneurial venture. No affirmative action was undertaken so far in the national budget to increase women's access in these types of educations.

Another aspect, which is worth noticing from education budget, is that in each fiscal year, a considerable amount of budgetary funds has been allocated for *madrasah* education (religious education). It has been found from an earlier study that during the last few years, *madrasah* education sector developed tremendously both in terms of enrollment and number of educational institutes due to budgetary allocation and inflow of huge private fund into this sector (*Paul-Majumder 2005*). It has also been found from the same study that girl students' enrollment in *Madrasah* educational institutes increased at much higher rate than that of boy students. However, *Madrasah* education little encourages women entrepreneurship development.

National health budget of Bangladesh also could not play an effective role in augmenting women's ability to undertake business ventures. It has been observed that mental stress is a very big health problem for women entrepreneurs. But no budgetary measure was undertaken yet to address this problem. In the national budget of the health sector, women's maternal or reproductive health rather than their general health was emphasized.

Physical Planning, Water Supply and Housing sectors included in the indirectly growth-oriented sector can play a great role in developing women entrepreneurship since activities of this sector can help women entrepreneur to run their business efficiently. For example, improved water supply, especially in the slums and rural areas would bring in a revolutionary change in women's time management and women can spend more time on their business. Improved water supply also helps women to run their food-based enterprises efficiently. But examination of the development projects undertaken in these sectors during the last five years shows that the projects, which could impact the development of women entrepreneurship very positively, have only a meager allocation.

5.3 Women's Share in the Welfare Oriented Sectors and its Impact on the Development of Women Entrepreneurship

Welfare oriented programs are directed towards benefiting socio-economically disadvantaged group who do not have high potential for developing entrepreneurship. But most of the women-focused budgetary allocation is concentrated in this sector. Hence, the role of national budget in developing women entrepreneurship in Bangladesh is quite understandable. Limiting women largely in this sector in fact, undermine their entrepreneurial ability and potential. Welfare-oriented programs are based on micro-credit and it has already been mentioned earlier that this type of program marginalize women in traditional activities. Traditional activities are less productive and thus less profitable, whereas profitability is the driving force in developing entrepreneurship.

The Ministry of Women and Children Affairs was formed during the period of Second Five Year Plan in 1978 in order to ensure an explicit development allocation for women. Later on, women's development has been added to all ministries' agenda in order to mainstream women's development with the national development. But even though women's development was made a multi-sectoral matter, the Ministry of Women and Children's Affairs has been included in the welfare sector. This sector commands a minuscule amount of public resources. It has been observed that in no fiscal year, the development allocation for this sector exceeds 1.5 per cent of total budgetary allocation (Table 10).

An examination of the development programs of this sector shows that only one out of 69 development programs undertaken in the fiscal year 2001-02 is directly related to the development of women

entrepreneurship, and six programs are regarding skill development although in traditional activities. This situation has not changed much over time. Directorate of Youth Development included in the social welfare sector has a number of development programs on training in modern skill. But women's share in those programs is found negligible. Moreover, there is wide gender gap in the nature of skill training offered to male and female students in the vocational institutes. It has been observed that the skill trainings the women are offered are very women specific. It is found that the Department of Youth Development provides training to women only on dress-making, and block and batik printing, while the same department provides training to men on livestock, poultry, fish culture, computer, electronics, electric wiring, refrigeration and air conditioning. However, the Ministry of Women's and Children's Affairs provides short courses for women in some non-traditional areas like plumbing, and electronics. This ministry also provides training on poultry, dairy, livestock and food processing, which can help women to undertake gainful business ventures. If they are able to undertake big businesses, they can also create very gainful employment for other women. But it has been observed that almost none of the large scale poultry, dairy or livestock firm is owned by women. It is mainly because of the fact that such trainings are not associated with the supply of big loans.

Table 10: Budgetary Allocation in the Social Welfare Sector Fiscal Year 2001/02-2005/06
(Tk. in crore)

Characteristics	2001/02	2002/03	2003/04	2004/05	2005/06
Gender Sensitive	50.76 (23.56)	33.98 (12.60)	19.37 (7.74)	24.36 (9.80)	11.54 (3.78)
Women Focused	57.79 (26.82)	100.39 (37.22)	85.15 (34.04)	61.12 (24.58)	95.91 (31.45)
Gender Blind	106.88 (49.61)	135.37 (50.18)	145.65 (58.22)	163.20 (65.63)	197.51 (64.77)
Total	215.43 (100.0)	269.74 (100.0)	250.17 (100.0)	248.68 (100.0)	304.96 (100.0)
Share (%) of the development budget of the Social Welfare Sector in total National Budget	1.13	1.50	1.30	1.24	1.42

Source: Annual Development Programme, various fiscal years, Planning Commission, Government of the People's Republic of Bangladesh

Although the social welfare sector is women friendly, a large number of programs have been undertaken in this sector where women could not participate at all. It can be noticed from Table 10 that the gender blind projects, where women do not have any control on resources, account for more than half of the total budgetary allocation earmarked for the social welfare sector. The table shows that the share of gender blind projects is increasing steadily over time, whereas opposite is the case with the gender sensitive projects.

Findings show that gender sensitive projects in the welfare sector also could not benefit men and women equally. It has been found from a study that women constitute only 20 per cent of total beneficiaries of 'Youth Development Program', whereas this program is conducive to entrepreneurship development (*Paul-Majumder et.al. 2003d*).

Thus it is apparent from the above dissuasion that social welfare sector also plays a negligible role in augmenting women's entrepreneurial potential. All women related development programs in this sector target only distressed and very poor women, who have very low capability to initiate any gainful business. Almost all women-focused development projects in this sector were designed to make women somewhat more productive within the household but not to realize women's potential as entrepreneur.

5.4 Women's Share in the Safety Net Programs

Recently, the Government of Bangladesh (GOB) has started a safety net program to create some buying capacity among the hard-core poor and destitute old population. Initially, some of the programs included in this safety net were funded from the block allocation. But now most of these programs have been included in the development budgets of the Social Welfare sector. Development budget of the Rural Development and Institution sector also includes some of these safety net programs. All the safety net programs are supposed to benefit women more than men as these programs target distressed and hard core poor. It has already been mentioned several times that poor and distressed women have very little potential to undertake business enterprise. Moreover, allocation on these projects is meager. With this meager amount only a small number of hard core poor can be brought under the safety net program. Moreover,

nature of these projects is such that the beneficiaries of these projects can only meet their bare necessities deriving benefit from these projects. They can hardly save to create fund to start some business. However, entrepreneurial quality in women is so strong that findings show that access to such meager resource also encourage them in some cases to undertake micro business on poultry and cattle rearing (Paul-Majumder and Begum 2001).

Chapter VI

Discussion and Recommendations

6.1 A brief Discussion

A review of the national budget of five fiscal years has shown that the national development budget of Bangladesh has apparently failed to develop women entrepreneurship. It is mainly because of the fact that woman's agency role in development got very little priority in preparing national budget. In most cases, women are looked at as an agent to development. The Third and Fourth Five Year Plan gave some emphasis on the agency aspect of women's development together with emphasizing their role as agents to development for the first time. In the Fourth and Fifth Five Year Plan, reduction of gender gap in all spheres of life was highly emphasized. But in compliance with this objective very few development programs were undertaken in the national budget. Rather, large priority is given to poverty alleviation in preparing any development program in the national budget since alleviation of poverty was one of the prime objectives of all Five-year Plans of Bangladesh. In all property alleviation programs, women were targeted as means to alleviating pervasive poverty of the country, but not as an end. It was observed that objective behind providing micro credit to women is to create self-employment for them to supplement the household income to alleviate poverty of the family. Women's self-employment, which is considered as supplementary, can not be gainful enough to enable them to attain qualities of an entrepreneur.

Moreover, supply of micro credit was not associated with the budgetary allocation in skill training, education, marketing facilities, access to information and safe and secure transport facilities, which are essential conditions in entrepreneurship development. Micro credit can create small-scale income generating activities only in traditional jobs, which are not profitable. It was found that women's income generated from micro credit contributes only 20-40 percent of family income. Due to their low income, women could not be adequately empowered to have access to other resources to expand their micro business. Policy makers did not realize the fact that expansion of the micro credit program is severely demand constrained. Thus, budgetary measures of developing

entrepreneurship among women not only keep women's income at low level but also undermine their ability and potentialities, which limit their access to control over large resources.

In the national budget, women's development is often looked at as a welfare-oriented issue. Therefore, only distressed and very low-income women have been targeted, whenever women were integrated in the national plan. Distressed and poor women do not own any resources, whereas some resource base is needed to undertake some business ventures reaping the benefits from budgetary measures. Therefore, it becomes difficult for women to reap any benefit from any entrepreneurship related programs undertaken in the development budget. For example, the poor and destitute women are specially targeted while making ADP for poultry and cattle farming in the agricultural sector. But the distressed and poor women have very little capability to receive these loans and to use the same in efficient way since in many cases, distressed and poor women do not even have shelter. In most cases they do not have a piece of land, which is a basic requirement to establish a poultry firm. Women belonging to the middle class and the lower middle class have the capability to establish poultry or cattle firms. But they are not targeted while preparing any development program for the poultry and cattle-farming sector. Moreover, in all fiscal years, national budget puts most of the emphasis on crop production and as such, all budgetary measures undertaken in the agricultural sector are geared towards benefiting the land owners. But women are excluded from reaping the benefits from these budgetary measures, as women do not own land.

Similar is the case with the budgetary measures in the industrial sector. All budgetary measures in this sector are geared towards helping the private sector's growth, since a strong role from the private sector has been emphasized to develop this sector. Because of this policy, entrepreneurship development related budgetary measures undertaken in the industrial sector has a very limited impact on women in general. Women lack access to resources and is endowed with very small amount of human capital, which are necessary conditions for establishing any enterprise availing of the budgetary incentives provided in the industrial sector.

It has been observed from the analysis of ADPs undertaken during last five fiscal years that women's development remains almost the sole responsibility of social welfare sector even though women's development was made a multi-sectoral matter. It was observed that more than half of the women-focused projects are concentrated in the social welfare sector. It indicates that the issue of women's development remains welfare-oriented and welfare oriented activities hardly gears towards developing entrepreneurship which by nature is profit-oriented. Thus, welfare-oriented development projects can hardly develop entrepreneurship among women. These activities marginalize women further rather than improving their access to resources, which are essential to undertake high value production ventures.

6.2 Conclusions and Recommendation

It is clear from the above analysis that women are viewed as an agent for development in the development programs even though there is a marked change in gender policy and gender objectives of the government. It is also clear from the above analysis that the issue of women's development remains greatly welfare-oriented and therefore, national budget of Bangladesh targets only poor and distressed women who have little potential for undertaking business venture. The finance minister of the country also identifies womenfolk as poor, distressed and destitute when he mentions women's development issue in his budget speech in the parliament. Therefore, there is no change in the budgetary policy regarding women. Hence, to make the national budget a powerful instrument to develop women entrepreneurship, budgetary policy towards women has to be changed.

Following measures and strategies are recommended to make the national budget a powerful instrument to develop women entrepreneurship.

1. Entrepreneurial potential of women should be recognized

It has been found from the present study that one of the dominant reasons for not developing women entrepreneurship through national budget is non-recognition of their agency role in development. Therefore, to develop women entrepreneurship, women's agency role should be recognized in each and every policy document and this policy should be

followed in preparing development program in the national budget. In addition, entrepreneurship development potential of women should be recognized in undertaking both development project and fiscal measure in the national budget. Women as a whole should be targeted in the national budget instead of targeting them only as distressed and poor. For this purpose, the mindset of the budget-makers needs to be changed for reorientation of their attitude towards women's role in development and subsequent budget allocation for women-focused projects.

2. Affirmative fiscal measures should be undertaken to develop women entrepreneurship

Fiscal measure is a powerful instrument to develop entrepreneurship. Since independence in 1971, the GoB has been using this instrument in various ways to develop entrepreneurship in Bangladesh. But women could not avail these fiscal facilities, because compared to men, they have far less access to productive resources, whereas a minimum level of resource base is necessary to avail fiscal incentive. Moreover, it has been observed from the present study that some taxation policies of Bangladesh are hindering women entrepreneurship development. It has been further observed from the present study that no women specific fiscal measure has been adopted by the GoB to develop women entrepreneurship, whereas the section 28(8) of the constitution of Bangladesh states that nothing can desist the government to take any step for the sake of development of any backward community. In the spirit of this section the GoB can undertake the following fiscal measures in the national budget to develop women entrepreneurship:

a. Formation of a women entrepreneurship development fund in the light of the Entrepreneur Equity Fund (EEF) fund

The government should create a women entrepreneur development fund in the light of the Entrepreneur Equity Fund (EEF). Through this fund the government can make equity participation in the enterprises started up by women. This fund also can be used to give women entrepreneurs low cost and hassle free loans. The government can use existing taxation policy to create such a fund. A national surcharge on goods and services can be levied to come up with such a fund. Also the donors can be approached, as women's development is crucial for a country's development. In this direction, a block grant for female entrepreneurs

also may be made in the national budget to give collateral free large loan to women.

b. *Provide various tax break or tax holiday facilities to enterprises operated and owned by women*

A tax holiday system in Bangladesh is supposed to be discontinued in the current budget (2006-07). Enabling the women to reap the benefit of tax holiday, this system should be allowed to continue for women entrepreneurs for a minimum of another 25 to 30 years. And the law should include not only selective types of industries but for all types of industry undertaken by women entrepreneurs. The existing system of getting entitlement to tax holiday facility also should be made simple.

c. *Provide various tax break or tax holiday facility to enterprises that are engaged in developing entrepreneurial skills of women.*

The government can offer various tax breaks to enterprises that are engaged in developing entrepreneurial skills of women. Such tax breaks described below can have significant positive impact on women entrepreneurship development:

- A tax holiday or tax break can be offered to companies where majority and controlling shareholders are women. To reap the benefit of this tax facility, many companies might create front women shareholders, while men controlling everything from behind. But still, this will give women significant control over wealth, which will be a necessary factor in the women entrepreneurship development in future.
- Companies with female majority in its top management including the chief executive officer (CEO) should get further tax breaks. (eg, a company where out of the top 10 people, 6 are women)
- A tax rebate can be offered to companies that engage in women friendly policies. For example, if a large company engages smaller women operated companies as their third party suppliers or subcontractors they should be eligible for tax rebate.
- Import duties and other levies can be relaxed in the cases of women owned and operated companies.

d. *Undertake various fiscal measures to divert Resources to women directly*

The present study identifies that lack of women's access to productive resources is one of the major hindrances in developing women entrepreneurship. Resources should be diverted towards women to remove this hindrance. In this direction, the following fiscal measures may be undertaken:

- To rebate tax or exempt tax from women's income, property and capital.
- The current budget gives the opportunity to make black money white by declaring the amount and paying a 7.5% income tax to the government without any conditions. Hence, to divert the benefit of this budgetary privilege to women, a fiscal measure may be adopted so that black money will be white by paying 7.5% income tax only when this money is spent to help women to undertake any business venture or this money is deposited in the bank in the name of a female member of the family.
- There should be a system to register houses in the name of both spouses and holding tax also should be paid in the name of both spouses.
- Resources can be diverted to women if gift tax is exempted from the property gifted to a woman to start some business.
- Gift tax should be exempted from the property gifted to daughter in laws.

e. *Existing system of taxing loan amounting more than TK 50,000 received from informal sources should be abolished in case of enterprises owned and operated by women.*

Existing system of taxing loan amounting more than TK 50,000 received from informal sources should be abolished in case of enterprises owned and operated by women since this tax system affect women entrepreneurs more than their male counterparts as they do not have access to bank loan because of their inability to provide any collateral against loan. Moreover, women are prone to borrow in cash.

f. *Affirmative Action should be made in Trade and Tariff policy.*

- National Board of Revenue (NBR) should undertake affirmative measures to deal with women importers.
- Enterprises owned and operated by women should be given rebate on VAT.
- Duty structure should be gender-based.
- High tariff should be imposed on import of consumer goods which are locally produced by women.

g. *Issuing of TIN certificate should be made simple*

Issuing of TIN certificate should be made simple and should allow issuance of TIN at the local government level. Moreover, the rule of submitting income tax return to qualify for getting TIN certificate should be withdrawn for the enterprises owned and operated by women.

3. Affirmative monetary measures should be adopted to facilitate women's access to resources

The government can change some banking policies to facilitate women's access to resources. Some of the recommendations are given below:

- Various commercial banks should be encouraged through fiscal incentives to provide large loans for women entrepreneurs without collateral and at a low interest rate.
- Jewelry made of precious metal and stones should be allowed to be treated as collaterals for bank loans.
- To encourage commercial banks to give more loans to women, the required reserve with the central bank can be reduced. There may be a budgetary provision that for an individual bank, required reserve with the Bangladesh Bank will be reduced if it crosses certain limits of disbursing loans to female entrepreneurs.
- There must be some budgetary provision so that women owned and women operated companies get priority when it applies for water, gas, electricity etc.

- A gender specific bank such as a woman's bank should be created which will be dedicated towards lending money, consultancy and advice to women entrepreneurs only.

4. More women-focused development projects should be undertaken both in the directly and indirectly growth oriented sectors

Development sectors, which contribute directly to economic growth, should have more women-focused projects. In this regard it is very urgent to undertake women-focused programs in the agriculture and industry sector. Rural Development and Institution Sector, Transport and Communication sector, Oil, Gas and Natural Resources sectors should also have women-focused development programs. Among the indirectly growth oriented sectors, education, science & technology and labour & manpower sector must have more women-focused programs to develop women entrepreneurship

5. Development programs should aim at empowering women in such a way so that they can undertake business activities, which are highly productive

Discussion in the present study shows that all development programs undertaken in the annual development programs employed women in less-productive activities, and most of the programs were designed to include only distressed and poor women who have very little ability to undertake a business venture. Women belonging to middle class have high potential for undertaking business ventures since they have education. But they don't have access to technology, financial resources, and utility facilities like electricity, gas and marketing facilities. They also face the problem of transport and communication and complicated procedure of beginning a business. Development program should be undertaken in the national budget to address all these problems. Following development programs are recommended to be undertaken in the development budget of Bangladesh to develop women entrepreneurship.

- a. *Undertake development program so that women can undertake agro-based industries*

Development programs that provide credit and appropriate technology for food processing like homestead horticulture, post harvest processing and storage of agricultural produce, and small scale agro-based industries, would develop women entrepreneurship tremendously since traditionally women are involved with these activities. Women are traditionally involved in rice husking also. So development programs should be undertaken to provide both credit and technology facilities to women so that they can own and run rice mills.

- b. *Development program should be undertaken to distribute industrial plot to women entrepreneurs*

A development program should be undertaken to distribute industrial plot in the EPZ and BSCIC zone to women.

- c. *A development program should be undertaken to supply gas and electricity to rural areas*

A development program to supply gas and electricity to rural areas will have revolutionary impact on the development of entrepreneurship among rural women. A development program to supply LPG cylinders to rural areas should also be undertaken since implementation of this project will save rural women's time and they can invest this time to undertake various businesses. In the similar way development program has to be undertaken to supply electricity to rural areas. Same program should be undertaken to supply electricity in the slums and squatter settlements also. These programs are supposed to augment women's entrepreneurial ability to a large extent since taking the advantages of this program rural and slum women can undertake business venture based on higher technology.

- d. *Undertake development program to facilitate women's access to training on high skill, information technology (IT) and consultancy facility*

The government should undertake development programs to create specific business schools and research institutes totally focused towards women entrepreneurship development. These institutes will not only educate women in business, but will also act as a consultant to female

owned and operated company in the business world. Training programs for electronic, information technology (IT), mechanical technology, garment manufacturing etc., should be undertaken for women instead of undertaking training programs for handicraft, tailoring etc. For this purpose more development programs for establishing polytechnic and IT schools and colleges should be undertaken in the annual development budget of Bangladesh. These schools and colleges should be dispersed up to village level.

In addition, number and capacity of the Government training schools and centers must be increased. With help from the science and technology sector, more schools and centers should be established to provide training on information and communication technology (ICT). Preference should be given to women in case of admission in the ICT schools. Women should also be given preference in the Telephone and Telegraph Training Center (TTC) and Telecommunication Staff College at Gazipur. At least one TTC and one Telecommunication Staff College should be established in each division. Separate IT school for women should be established. Tax and loan incentives should be provided to private entrepreneurs to establish women only IT and multi media schools. These schools should be extended upto thana level so that rural women get access to these schools. In addition, there should be a separate department for transport and communication in each university of the country, and should be strengthened with recent literature on these subjects. There should be a separate university for IT.

e. Development program should be undertaken to increase women's enrollment in the higher education

Till now, measures were undertaken to raise the women's share in the budgetary expenditure for primary education. As a result, at present, boys and girls are enrolling in primary education almost equally. But very few budgetary measures were undertaken so far to raise women's enrollment in the secondary and tertiary level education, whereas about 40 per cent of the budgetary allocation for education is spent for these two levels of education. Therefore, measures should be undertaken to increase women's enrollment in the higher education. In this direction, provision of free education for women upto twelve class is a very positive step undertaken in the budget of the fiscal year 2002-03. Similar

step should be undertaken to make the skill training for women free. In addition, stipend and scholarship program should be undertaken to facilitate women's access to higher skill training and higher education. Tertiary education also should be made free for the poor brilliant girl students.

f. *Development program should be undertaken to facilitate women entrepreneurs' access to telecommunication and market information*

Access to telecommunication is an essential condition to develop entrepreneurship. As women's capability to get access to telecommunication services is far less than that of men, following measures should be undertaken in the national budget to facilitate women entrepreneurs' access to telecommunication.

Program should be undertaken in the annual development budget to extend trunk automatic exchange up to thana and district head quarters. Similarly, development program should be undertaken to expand inland telegraph office upto union level.

To increase women's access to Internet services, there must be computer centers at the community level. Already some community computer centers have grown up in Dhaka city. But the number of these centers is very few. Budgetary incentives should be provided to grow more computer centers at community level. However, it should not only be in Dhaka city, but also in other cities of the country. Owners of these centers should be given tax incentives if they specifically target women.

Above all, BT & TB must implement its long waited program of providing mobile telephone services. The BT & TB has more infrastructural facilities than the private sector to extend mobile telephone service up to village level. Moreover, BT & TB can sell this service at a much lower price than the private sector and as such, women can get more facilities from this service. A number of private organizations are providing mobile telephone services. Telecommunication service providers in the private sector should be made interested to undertake business in providing service to women by giving tax and other business incentives.

g. *Undertake development project to provide marketing facilities*

To provide marketing facilities to women entrepreneur, a development program should be undertaken to establish a one-stop service center for women entrepreneurs.

Women Entrepreneurship Development Project should have provision to help establish linkage between small women entrepreneurs to facilitate marketing of their goods and procurement of raw materials for them.

Information centers should be established in each union so that rural women entrepreneur can easily come to these centers to have information on market.

h. *Ensure Women's access to media*

Access to media strengthens an entrepreneur's information base. To ensure rural women's access to media, women members of the Union Parishad (lowest level administrative tier) should be provided with a radio, television set or mobile telephone facilities.

i. *Allocation in the annual budget should be made to increase the number 'women only bus' and to give budgetary incentive to the private sector to provide safe secure and affordable transport service to women entrepreneur.*

Lack of safe secure and affordable transport facility is a big problem for women entrepreneurs. To solve this problem, adequate allocation should be made in the annual budget to ensure women's safe and secure mobility. For this purpose, the 'women only bus' service recently introduced by the Bangladesh Road Transport Corporation (BRTC) has to be extended further to cover more routes. The government with its financial limitations may not be able to address the women's transport needs adequately. Hence, some budgetary measure in terms of subsidy or tax incentive should be undertaken to encourage the private sector to provide transport services to women. Same budgetary measures should also be undertaken to encourage private sector to provide transport service to link the outskirts of Bangladesh with the city center by fast running transport service. This service would be of great importance for the woman entrepreneurs in the rural areas both for the mobility of goods and people.

- j. *Women entrepreneurship in the transport and communication sector should be encouraged through budgetary incentives*

Transport and communication business is very profitable. Women can accumulate huge capital once they could enter into these sectors. Development of women entrepreneurship in the transport sector has also been emphasized in the PRSP. But women do not have access to resources to undertake business venture in this sector. Their access to financial resources may be facilitated by undertaking affirmative fiscal and monetary measures as mentioned earlier.

- k. *A credit Program should be undertaken in the development budget to give collateral free loan to retrenched garment workers who are willing to set up home-based enterprise for manufacturing garment.*

After the withdrawal of Multi fiber Agreement (MFA) from the garment sector of Bangladesh, hundreds of female workers have been retrenched. They have the skill of garment manufacturing. They can undertake home-based enterprise for manufacturing garment if they have access to credit facility. A credit program should be undertaken in the development budget so that these retrenched female workers can get initial capital to set up a home-based garment manufacturing enterprise. In this direction, various commercial banks can also be encouraged through fiscal incentives to provide big loan for these retrenched workers without collateral and at a low interest rate.

- l. *Make provision for garment workers to participate in equity ownership in the garment industry and provide financial support for this purpose*

As per long run intervention suggested in the PRSP, make provision for garment workers to participate in equity ownership in the garment industry and provide financial support for this purpose. For this purpose, garment industries owners must make their company public limited and distribute certain part of the ownership of their company among the workers through share market. Budgetary measure should be undertaken to divert resources to garment workers so that they can buy these share.

5. Gender-sensitive Development Programs must have Fixed Target for Women

Findings of the study showed that women's share in the entrepreneurship development related gender-sensitive projects is very small. Because, competing with men women cannot derive more benefit in their favor from the gender sensitive projects. Therefore, gender-sensitive development programs must have fixed target for women. These should be explicitly announced and publicized.

6. Local governments should be encouraged to develop women entrepreneurs

More budgetary allocation should be provided to the local governments for infrastructure development in the rural area to develop women entrepreneurship.

7. Technical Assistance programs should be undertaken in the development budget to develop women entrepreneurship.

Technical assistance program should be undertaken on the following issues.

- a Research project to identify the problems faced by women entrepreneurs.
- b Research project to explore potential of women entrepreneurs,
- c Establishment of a center for studying feasibility of projects,
- d Establishment of a center for counseling and advising women entrepreneur.
- e Establishment of a center to organize advocacy and awareness raising activities regarding women's agency role and potential of women as entrepreneurs.

8. Ministry of Women and Children's Affairs (MWCA) should be allocated more budgetary resources to act as a catalyst in the development of women entrepreneurship

Development of women entrepreneurship is a multi sectoral issue. Supervision and coordination of women entrepreneurship related

activities of various sectors are of vital importance for the development of women entrepreneurship. MWCA is supposed to perform this function as a catalyst. But the budgetary allocation for MWCA is very small to act as a catalyst. MWCA gets only a little more than one percent of total national budgetary allocation. To act as a catalyst in the development of women entrepreneurship MWCA should be allocated more budgetary resources

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